



# ***Daily Report***

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## **East Asia**

FBIS-EAS-93-085  
Wednesday  
5 May 1993

# Daily Report

## East Asia

FBIS-EAS-93-085

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## **Asian Development Bank Meeting Continues in Manila**

### **Thai Minister Welcomes ADB Policy**

*BK0505062093 Bangkok BANGKOK POST in English  
5 May 93 p 15*

[Text] Thailand has welcomed the Asian Development Bank's [ADB] resumption of dialogue and aid to Laos and Cambodia and has urged the bank not to allow future disruptions.

In a speech at the bank's annual meeting in Manila yesterday, Deputy Finance Minister Bunchu Trithong also pledged Thailand's continued contribution to the development of its neighbouring countries.

The ADB's "timely technical and financial assistance will greatly assist our neighbouring countries to effectively accelerate the pace of development and alleviate the hardship of their people," he said.

"Peace and stability in the region can only be maintained if the problems of poverty, gainful employment and self sufficiency can be overcome. The Bank and the international community must assist in this effort. Thailand will not be found wanting in this regard."

Mr Bunchu also called for ADB assistance for Burma.

"The alleviation of poverty, accelerating socio-economic growth and the promotion of a higher quality and standard of life to the poor and less fortunate in developing countries including our other near neighbour Myanmar is an urgent concern and should not be made a captive of political consideration no matter how lofty the ideals.

"Suffering is a human condition that must not be held to ransom. The international community should seek new and more effective way to ensure adherence to and respect of the principle of universal human rights while helping to feed the hungry and helping the needy."

Taking a broader look at the region he urged the bank to increase its activities in supporting private sector investment projects.

"Thailand... urges increased participation of the Bank in joint ventures and equity participation in the privatisation process of member countries as well as in the securitisation of these investments in available domestic secondary financial markets in member countries and in the region concurrently."

Mr Bunchu described himself as the first representative of a democratically-elected Thai government since last year's May uprising to address an ADB meeting of finance ministers and international bankers.

"Despite the turbulence last May, the Thai economy continues to expand at a satisfactory steady pace. Real growth in 1992 expands at approximately 7.8 percent

with an inflation rate of 4.5 percent. The fiscal outlook remains firm with revenue and expenditure in balance.

"The Chuan Administration has continued the policy of financial, and fiscal restructuring and liberalisation with a view to enhancing the freer flow of capital and continued competitiveness of Thailand in the regional and global arena.

"With the concurrent objectives of enhancing the competitiveness of the Thai economy as the focal point in this region and the alleviation of socioeconomic imbalance, specifically reducing the gap between the rich and poor, the government has undertaken substantive fiscal and monetary reforms, particularly income tax reduction and capital market reforms to encourage domestic savings mobilisation and the encouragement of investment in the hinterland other than the main urban centers.

"Such diversification will expand the production base of the economy and generate employment for our rural population and improve income distribution. Thailand is confident that despite and in spite of all the interruptions in the political process the strength, resilience and promise of the economy continues to shine brightly as a beacon to our partners in the world.

"Democracy and development can move forward in tandem with proper guidance and support. In Thailand we have been able to generate and build on diversity and our innate strength and the resolute will of our people in striving to achieve a just and viable economy, a strong and independent polity and a vibrant society ready to reaffirm its faith and hope in attaining a region of peace and prosperity for all.

### **Japanese Delegate Urges Capital Increase**

*HK0505085293 Hong Kong AFP in English 0655 GMT  
5 May 93*

[By Roberto Coloma]

[Text] Manila, May 5 (AFP)—The United States and Japan clashed here Wednesday over a proposed massive capital increase for the Asian Development Bank (ADB), plunging the institution's future lending programs into uncertainty.

Chief U.S. delegate Jeffrey Shafer, going on the attack after Washington was isolated for delaying a decision on the capital hike, told the bank's annual meeting that funds might have been wasted and demanded an independent inquiry into the ADB loan portfolio.

But Japanese Finance Minister Yoshiro Hayashi countered that new U.S. President Bill Clinton might be preoccupied with domestic and European problems, to the detriment of Asia, and pressed for the capital increase to sustain the region's phenomenal progress.

The ADB management wants to raise 14 billion dollars over the next four years in international capital markets



for its regular lending program, and is seeking to double its authorized capital of 23.2 billion dollars in order to maintain access to low-cost funds.

The Manila-based ADB has 53 members comprising Asian countries and their chief trading partners, and finances infrastructure and other projects in the region. Japan and the United States are its leading contributors, respectively holding 16.4 percent and 15.9 percent of the subscribed capital and roughly equal voting power.

ADB President Kimimasa Tarumizu has warned that lending could be slashed as early as 1994 unless the capital hike was resolved by the third quarter this year. But U.S. officials have been calling for a delay because of budgetary problems and concerns over how the ADB, which lent five billion dollars last year and 42 billion dollars since its founding in 1966, has been using its resources. "More consideration of the scale of lending and the adequacy of current resources is needed before a decision on a capital increase can be taken," Shafer told the annual gathering of finance ministers, central bank chiefs, other senior officials and bankers. "There is time for this," added the Clinton administration's nominee as assistant treasury secretary for international affairs.

Hayashi, speaking immediately after Shafer and echoing views of other ADB members, said that "there is a concern that many of the industrial countries are distracted by their own domestic economic and social problems."

"When they do look overseas, their leaders' attention and their people's eyes and ears are drawn to the ethnic strife and civil war in some parts of Europe and Africa," he said, adding: "I am afraid that their interest in the Asia Pacific region may be flagging." Hayashi said that although Asia has outpaced the rest of the world in economic growth, the region still has the largest concentration of people who are considered poor, estimated at 800 million out of three billion Asians.

At a news conference, Hayashi said the U.S. proposal for an independent commission to review the ADB's loan portfolio still "needed to be examined," and noted that the bank has already called for the creation of a task force to do the job.

A senior U.S. delegation member who asked not to be named said the Clinton administration was committed to continued "engagement" in Asia and had a "positive attitude" toward the proposed capital increase, but did not think a decision was urgent.

The official said there had been a decline in the quality of ADB lending, and that an independent review of the portfolio would be more credible than an in-house ADB study.

### PRC Seeks 'Soft Loan Window' Access

*HK0505085093 Hong Kong AFP in English 0700 GMT 5 May 93*

[Text] Manila, May 5 (AFP)—China, which posted one of the world's highest economic growth rates last year, Wednesday sought access to the soft loan window of the Asian Development Bank (ADB) and supported calls for a capital hike in the lending institution.

Li Guixian, governor of the People's Bank of China, told the ADB annual meeting that criteria for access to the Asian Development Fund (ADF) should be made on a country-by-country basis. The ADF is reserved for the ADB's poorest member countries.

China and India, while eligible on the basis of per capita income and other criteria, have been excluded from the ADF for fear they would crowd out smaller countries. Bank sources said that India has also been pressing to be allowed access to the ADF.

The ADF charges no interest on long-term loans with generous grace periods. Loans from the facility only carry a one percent annual service charge.

Li supported proposals by Japan and other donors for a general capital increase of up to 120 percent in the ADB's authorized capital of 23.2 billion dollars, to enable the bank to increase the lending in its ordinary loan window in which China and India are the leading borrowers.

This facility charges market-based rates. The Chinese official also urged the ADB to mobilize greater support for the ADF which is due to replenishment in 1996 and "make every effort to enable all eligible members access to ADF resources," to help them fight poverty.

China posted 12.8 percent economic growth last year, one of the highest in the world, and is poised to enjoy double digit expansion through 1994 as it pursues market reforms under its socialist government. ADB President Kimimasa Tarumizu told ADB last week that China could become a newly industrializing economy like its East Asian neighbors if it managed its growth properly and prevented an overheating similar to that which scuttled the growth surge in the 1980s.

"Efforts shall be made to keep on the alert against the likelihood of an overheated situation," Li told the ADB meeting held at the bank's headquarter's in the Philippine capital.

Despite its impressive growth rates, the ADB says about 10 percent of China's 1.2 billion people live below the poverty line. Analysts say China's economy would get a tremendous boost when it takes over Hong Kong from Britain in 1997 and improves relations with Taiwan. Hong Kong and Taiwan are among the four Asian economic "dragons" along with Singapore and South Korea.



## Japan

### Tokyo Reacts to Attacks on UNTAC Peacekeepers

#### Kono Reads Tokyo, Miyazawa Statements

OW0405161993 Tokyo NHK General Television  
Network in Japanese 1420 GMT 4 May 93

[Statements read by Chief Cabinet Secretary Yohei Kono at the prime minister's official residence in Tokyo on behalf of the Japanese Government and Prime Minister Miyazawa concerning the killing and wounding of civilian Japanese police officers in Cambodia on 4 May—live]

[Excerpts] The government has confirmed that an act of hostility in Ampil, Cambodia, resulted in the death of Mr. Haruyuki Takata, a member of the Japanese police international peace cooperation unit and former member of the Okayama Prefectural Police Headquarters Riot Police Squadron. [passage omitted]

The government recognizes that the occurrence is a very serious incident. Japan will try its best to investigate the incident and prevent the recurrence of such a tragedy. Needless to say, the government has already directed Ambassador to Phnom Penh Imagawa to urge the UNTAC [UN Transitional Authority in Cambodia] to take further measures for securing the safety of its personnel. Also, the government has decided to swiftly send officers to Cambodia from the International Peace Cooperation Headquarters and other government agencies concerned.

To unite all concerned agencies' efforts for coping with the issue, the government has decided to establish a countermeasure headquarters under the chief cabinet secretary. The headquarters will hold its first meeting tomorrow morning at the prime minister's official residence. The government would like to clarify its intention to do all it can for the officer's bereaved family.

Next, please let me introduce the statement of the prime minister. The prime minister's comments are as follows:

I cannot help feeling indignation upon hearing of the sad death of Assistant Police Inspector Haruyuki Takata, who has been working in international peace cooperation operations. Here, I pray for the repose of the his soul, and I would like to express my sincere condolences to his bereaved family.

Also, I earnestly wish for the early recovery of Police Inspectors Kazuharu Yagi and Hiroshi Kawanobe, as well as Police Sergeants Eizaburo Taniguchi and Nobuaki Suzuki.

I would like to pay my deep respects to these officers' contribution to international peace. The incident is a hostile challenge to the peacekeeping activities of the United Nations, and I cannot tolerate such behavior.

This was the statement of the prime minister. He will arrive at his official residence soon.

#### Kono: No Plans To Withdraw

OW0405171093 Tokyo NHK General Television  
Network in Japanese 1428 GMT 4 May 93

[Question-and-answer session of news conference by Chief Cabinet Secretary Yohei Kono held at the prime minister's official residence in Tokyo—live]

[Excerpt] [unidentified correspondent] Do you think the incident [the killing of one police officer and the wounding of two others in Ampil, Cambodia on 4 May] will affect Japan's peace cooperation activities hereafter?

[Kono] As I have just stated, the government recognizes the incident as a very serious situation. I feel very sorry over the death of a valued member of the Japanese team, but now we are trying to ascertain the state of affairs. In my personal opinion, we must go ahead and overcome the tragedy; otherwise his death would be for nothing.

[Unidentified correspondent] Do you mean the government has no plan to withdraw from Cambodia?

[Kono] As I said before, we must ascertain what really happened. Judging from information we have at this moment, I have to say yes to your question.

[Unidentified correspondent] Does the government think the cease-fire agreement is still in effect in Cambodia?

[Kono] Exactly. Please let me repeat this. My answers here are based on limited information at this moment.

[Unidentified correspondent] What about sending civilian election monitors?

[Kono] I would like to answer this question after tomorrow's meeting.

[Unidentified correspondent] Does the government plan to move other civilian police officers to secured areas?

[Kono] As I have just said, such issues should be discussed at the meeting at the countermeasures task force headquarters.

[Unidentified correspondent] Deadly incidents are taking place while the government says that all of the five conditions for dispatching Japanese personnel are still satisfied. What is your comment on that point?

[Kono] I have to repeat this. We feel very sorry over the death of a capable man. The UN Transitional Authority in Cambodia [UNTAC] has also lost several officials so far. But we are trying to join forces in overcoming these tragedies. From a sentimental viewpoint, the incident is very sad, but we have to keep discussing this issue, balancing such human feelings and the significance of the noble work to create permanent peace. [passage omitted]



**Kono Holds News Conference**

*OW0505063093 Tokyo NHK General Television  
Network in Japanese 0403 GMT 5 May 93*

[News conference by Chief Cabinet Secretary Yohei Kono at the prime minister's official residence in Tokyo—live]

[Text] [Kono] A meeting of the Security Measures Headquarters for International Peace Cooperation was held at 1000 AM [0100 GMT] today. With the chief cabinet secretary serving as chief of the headquarters and the deputy chief cabinet secretaries as deputy chiefs, we have asked concerned bureau chiefs from the Prime Minister's Office, the National Police Agency, the Defense Agency, the Ministry of Foreign Affairs, and the Ministry of Home Affairs to attend this meeting. And I would like to make a report on the summary of today's meeting.

It was only natural that adequate analysis be given to the recent Cambodian situation. There is no change in the basic policy of helping the government and aiding the parliamentary elections conducted there—in concert with the UN Transitional Authority in Cambodia [UNTAC]. But I conveyed to the meeting the wish of the prime minister that maximum possible actions be taken for the security of personnel. The meeting dealt with such matters as the facts of the recent incident, Cambodia's situation and prospects, security measures for civilian police personnel, and the dispatch of and security for election monitoring personnel, and security measures for engineers units. Discussions were held on these matters.

Moreover, it was decided that a total of 11 personnel would be dispatched to the site of the incident. They are Deputy Director Hagi of the Secretariat and two others from the headquarters of the International Cooperation [office]; Special International Cooperation Officer Tsuha and Director Taniguchi of the International Criminal Department of the National Policy Agency; Councillor Kawamura of the Asian Affairs Bureau, and another official from the Ministry of Foreign Affairs. Two of these personnel, including Special International Cooperation Officer Tsuha, have already left for Bangkok, and all the others are scheduled to leave by the end of today.

These people will devote their time to gaining a better understanding of the situation in Cambodia, and will also provide assistance to the bereaved family members of the late Mr. Takada and to family members of the injured personnel. These people will also discuss ways of improving safety for personnel in that country.

The bereaved family members of the late Police Assistant Inspector Takada and family members of injured police officers, Messrs. Miyagi and Taniguchi, who are now in a hospital in Bangkok, as well as personnel from

the provincial police headquarters of Okayama, Ishigawa, and Miyagai bureaus, are due to leave for Bangkok by the end of today.

At the meeting today, concerning safety measures for civilian police personnel, it was agreed that the government should call on the UNTAC to further strengthen security actions. The meeting also agreed to ask the UNTAC to review the appropriateness of assignments for personnel and to assemble the civilian police personnel at Phnom Penh temporarily in order to hold a meeting to discuss safety measures.

Where election management personnel are concerned, orders will be issued—effective 6 May as scheduled originally—to them as members of the Cambodia International Peace Cooperation Unit. Until the time of their scheduled departure on 12 May, we will confirm safety measures while reconfirming whether the members have not changed their mind about going to the country. We will file a request with the UNTAC to ensure safety for them as well.

Also, concerning personnel from truce inspection teams and the engineers units already dispatched, we will take measures to improve their safety. The government will request that the UNTAC take action to improve their safety as well.

This is a summary of the meeting.

Now I would like to make a report. As for the remains of the late police officer Takada, we have received a report that they are due to arrive in Bangkok around 0230 local time today. The remains are due to be flown into Bangkok via (Datanbang) by an UNTAC helicopter. This is according to the report we have received. [news conference coverage ends]

**Miyazawa Expresses 'Anger'**

*OW0405163193 Tokyo KYODO in English 1543 GMT  
4 May 93*

[Text] Tokyo, May 4 KYODO—Prime Minister Kiichi Miyazawa expressed anger Tuesday [4 May] night at a guerrilla attack on Japanese civilian policemen, calling the incident "a clear challenge" to United Nations peacekeeping operations in Cambodia.

Miyazawa said in a statement read by his chief spokesman that the latest attack "cannot be pardoned."

Chief Cabinet Secretary Yohei Kono, who read the premier's statement, said that the Cambodian cease-fire agreement is still in place and that Japan is not considering withdrawing its peacekeepers from Cambodia.

Earlier Tuesday, one Japanese civilian police officer was killed and two more seriously wounded in a surprise attack on a United Nations peacekeeping convoy near Ampil along Cambodia's northwest border with Thailand.



Haruyuki Takata, 33, of the Okayama Prefectural Police Headquarters, was killed in the attack—the second Japanese to be killed in Cambodia since U.N.-led peacekeeping operations got under way last year. Takata was the first Japanese peacekeeper to die.

Eizaburo Taniguchi, a police sergeant at the Ishikawa Prefectural Police Headquarters, and Kazuharu Yagi, an assistant police inspector in Miyagi Prefecture, were also seriously wounded in the attack.

At his news conference, Chief Cabinet Secretary Kono expressed his condolences to the relatives of Takata and hoped for the speedy recovery of the other two police officers.

"It is extremely regrettable that such a wonderful life has been lost," Kono said in expressing his regrets over Takata's death.

The chief cabinet secretary added that the government is setting up a special task force to meet as early as Wednesday morning to consider how to react to this latest assault on Japanese in Cambodia.

"It is extremely regrettable (that the death occurred) but we must overcome the sorrow," said Kono, adding that there would be no change in Japan's commitment to peacekeeping activities in Cambodia.

He also expressed his hope that the general elections scheduled for later this month as part of the 1991 Paris peace accords would be realized.

All four of Cambodia's warring factions signed the Paris agreement, but the Khmer Rouge has refused to comply with the stipulations of the accords and vowed to disrupt general elections for a Cambodian parliament scheduled for May 23-28.

Yagi and Taniguchi both had been reported dead earlier in the evening. One had a wound to the chest and the other an abdominal wound, according to Dr. Ver Lima Edward Isac Donk, a Dutch physician affiliated with the U.N. peacekeeping forces in Cambodia.

Two others—Hiroshi Kawanobe and Nobuaki Suzuki, both with the Kanagawa Prefectural Police—suffered minor injuries.

Five Dutch Marine commandoes also suffered minor injuries in the ambush by what Japanese police officials called "an unidentified group" of guerrillas.

All the dead and wounded Japanese civilian policemen were among the 75 Japanese civilian policemen deployed in Cambodia as part of the U.N. peacekeeping mission.

Atsuhito Nakata, a Japanese U.N. volunteer helping with preparations for this month's general elections in Cambodia, was murdered April 8.

Officials said Miyazawa cut short his "Golden Week" vacation at the resort town of Karuizawa in Nagano Prefecture to return to Tokyo and follow developments.

Kono, who was also in Karuizawa, left the resort town earlier to hold the news conference in Tokyo and called the attack "deplorable" upon arrival at Ueno Station in Tokyo.

Meanwhile, the National Police Agency said it is setting up a special task force to keep abreast of the latest attack on Japanese peacekeepers in Cambodia.

Justice Minister Masaharu Gotoda, who is currently in Beijing for talks with Chinese leaders, issued a statement expressing his condolences to the Takata family.

#### Defense Agency Head Comments

OW0505051093 Tokyo KYODO in English 0447 GMT  
5 May 93

[Text] New York, May 4 KYODO—Defense Agency Chief Toshio Nakayama said Tuesday [4 May] there will be no withdrawal of Japanese Self-Defense Forces (SDF) or civilian police personnel from Cambodia unless the election there is canceled.

He said Japan will only withdraw personnel sent to help United Nations peacekeeping operations if it becomes impossible to hold the elections, scheduled for May 23 to 28.

"Until that time, we want to cooperate to the best of our ability," Nakayama told a news conference after talks with U.N. Secretary General Butrus Butrus-Ghali in New York.

The decision whether to withdraw depends on whether the cease-fire agreement remains in place, and how the Japanese Government and the United Nations Transitional Authority in Cambodia assess the situation, he said.

In the talks, Nakayama promised Butrus-Ghali that Japan will cooperate with peacekeeping operations "until the end," in spite of the killing of a Japanese civilian policeman in a guerrilla attack earlier Tuesday.

Nakayama asked Butrus-Ghali for the U.N. to investigate what happened in the ambush in which 33-year-old Haruyuki Takata died and four other Japanese policemen were injured, and for efforts to ensure the safety of Japanese personnel.

He met the U.N. secretary general to discuss Japan's participation in peacekeeping operations in Cambodia and the scheduled dispatch of SDF personnel to Mozambique to join peacekeepers there.

Butrus-Ghali thanked Nakayama for Japan's participation in the peacekeeping operations and expressed his condolences over Takata's death.



**Muto Says Cease-Fire Holding**

*OW0505020193 Tokyo KYODO in English 0139 GMT  
5 May 93*

[Text] Mexico City, May 4 KYODO—Japanese Foreign Minister Kabun Muto said Tuesday [4 May] that the cease-fire agreement in Cambodia is being observed, despite an attack in which a Japanese civilian policeman was killed and four others injured.

Muto, on a visit to Mexico, told reporters that the shooting on Tuesday was an isolated incident and he does not think Japanese are particularly being targeted, because Dutch peacekeepers were also injured.

The foreign minister, who earlier visited Venezuela, left Mexico City for Tokyo on Tuesday afternoon, half a day earlier than scheduled because of the incident.

The policeman who died, Haruyuki Takata, 33, was an assistant inspector with Okayama Prefecture Police.

Japan sent 75 policemen to help the United Nations Transitional Authority in Cambodia last October for a nine-month stay. A Japanese U.N. volunteer, Atsuhito Nakata, 25, was shot dead on April 8 while helping prepare for the May 23-28 elections agreed under the 1991 Paris peace accord that ended a 13-year civil war in Cambodia.

**Dailies Divided on Nation's Role**

*OW0505051193 Tokyo KYODO in English 0437 GMT  
5 May 93*

[Text] Tokyo, May 5 KYODO—Major Japanese dailies were divided Wednesday [5 May] over Japan's further participation in United Nations peacekeeping operations in Cambodia following the killing of a Japanese civilian police officer there.

Editorials in the ASAHI SHIMBUN and MAINICHI SHIMBUN urged that Japanese civilian police sent to Cambodia should be temporarily called to the safety of the capital, Phnom Penh, and said an eventual total withdrawal from Cambodia could not be ruled out.

The YOMIURI SHIMBUN, however, said pulling out would be counterproductive to the peace process.

Acknowledging that Tuesday's killing of the policeman, Haruyuki Takata, 33, itself cannot be blamed on the Pol Pot faction, also known as the Khmer Rouge, the MAINICHI stressed that the group is nevertheless responsible for escalating terror and undermining the peace process.

It called for increased international pressure on the Pol Pot to stop fighting and on the Thai Government to help cut the guerrillas' weapons supplies via the Thai border.

It criticized the Japanese Government's claim that the cease-fire in Cambodia is still in place despite the latest attack.

Considering the recent fighting between the Pol Pot and the Phnom Penh government troops as well as the latest incident, the cease-fire agreement and consent from the parties concerned—both prerequisites for Japan's participation in peacekeeping operations—have collapsed, the MAINICHI said.

It is necessary to consider at least concentrating the Japanese personnel in the relatively safe Phnom Penh area, the newspaper said, pointing to the government's "extremely heavy responsibility" for the safety of its peacekeepers.

The dispatch of more election monitors scheduled for next week should be reconsidered carefully, and the government should definitely decide on a complete withdrawal from Cambodia if it becomes clear that the peacekeeping prerequisites have collapsed, the MAINICHI added.

The ASAHI said, "the government must not take an obstinate stand. The important thing now is to face Cambodia's current situation and cope with it in a flexible manner from the standpoint of the dispatched personnel."

The election monitors should not be sent to their areas of duty unless their safety can be guaranteed, the ASAHI said.

In contrast, the YOMIURI said withdrawing staff or canceling the dispatch of election monitors would be a mistake, pointing to Japan's international responsibility.

It said peacekeeping and danger are two sides of the same coin, and Japan alone cannot give up the peacekeeping mission citing danger.

An interruption of peacekeeping would worsen Cambodia's domestic situation and threaten the core of its democratization—the May elections, it said.

There is no excuse for suspending peacekeeping, and the international community has to reiterate its firm resolve to continue, the YOMIURI said, urging further efforts to save the Cambodian peace process.

**Major Banks To Report Over 13 Trillion Yen in Bad Loans**

*OW0505033893 Tokyo KYODO in English 0317 GMT  
5 May 93*

[Text] Tokyo, May 5 KYODO—Bad loans that Japan's 21 leading private banks will separately disclose in earnings results for the year ended March 31 will total between 13.4 trillion yen and 13.5 trillion yen, with four banks posting over 1 trillion yen each, a business daily reported Wednesday [5 May].

The NIHON KEIZAI SHIMBUN said Sakura Bank, Fuji Bank, Sumitomo Bank and Dai-ichi Kangyo Bank will each report over 1 trillion yen in bad loans, the biggest being Sakura with some 1.4 trillion yen.



The three long-term credit banks will each disclose about 600 billion yen and the seven trust banks will each post some 400 billion yen to 600 billion yen in bad loans, the daily said.

The disclosures will include loans to clients who have gone bankrupt and loans on which interest has not been paid for six months or more.

Most of the 21 banks are eager to write off such loans as early as possible in order to strengthen their financial standings, the NIHON KEIZAI said.

The Finance Ministry discloses industry totals twice a year for loans in arrears for at least six months and those deemed unrecoverable.

But fiscal 1992 will be the first year for which banks will reveal individual totals of their bad loans.

### North Korea

#### KCNA 'Authorized' To Deny Problems With PRC

SK0405153693 Pyongyang KCNA in English 1522  
GMT 4 May 93

[Text] Pyongyang, May 4 (KCNA)—The spokesman of the Korean Central News Agency has been authorized to issue the following statement today on the recent false reports of the U.S., Japanese and some other Western subsidized media that there is a certain "problem" in the relations between Korea and China.

U.S., Japanese and some other Western media are these days spreading utterly groundless rumours that a "shooting incident" occurred on the Korean-Chinese borderline claiming casualties and suspending diplomatic contact between the two countries.

This is part of the sinister moves of the enemy to slander, isolate and stifle Korea and China which adhere to socialism, and a despicable, foolish trick invented by those who dislike Korea-China friendship with a view to driving a wedge into the relations between Korea and China.

Korea and China are neighbours linked together by blood ties and the two peoples are close comrades-in-arms and brothers who have long since fought shoulder to shoulder against the U.S. and Japanese imperialists, sharing weal and woe.

The friendship and solidarity between the two peoples have a long historical root and have constantly been strengthened and developed through ordeals.

The vitality and indestructibility of Korea-China friendship are firmly guaranteed because it is based on deep comradely trust and revolutionary sense of obligation between the two peoples.

Even if Western media raise a row over a fictitious incident, it cannot be taken by any one at its face value, still less can hurt the traditional Korea-China friendship and solidarity in the least.

Futile is the attempt of the imperialists to create a rift in the relations between Korea and China and estrange them from each other.

With no amount of manoeuvres can the imperialists break the Korea-China relations.

The Korea-China friendship and solidarity which have been sealed with blood and withstood all sorts of trials will never change in any storm.

#### Border Waterway Transport Pact Signed With PRC

SK0405235693 Pyongyang Korean Central  
Broadcasting Network in Korean 1500 GMT 4 May 93

[Text] An agreement on the 32d meeting of the DPRK-Chinese Cooperative Committee for Border Waterway Transportation was signed in Sinuiju on 4 April.

Members of our side's delegation and the Chinese side's delegation to the DPRK-Chinese Cooperative Committee for Border Waterway Transportation attended a ceremony to sign the agreement.

#### DPRK Red Cross Letter Requests Data on KPA POW's

SK0505110093 Pyongyang KCNA in English 1026  
GMT 5 May 93

[Text] Pyongyang, May 5 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the Red Cross Society of the Democratic People's Republic of Korea, sent a letter today to Kang Yong-hun, president of the South Korean Red Cross, in connection with the discovery in South Korea of new materials related to prisoners of war of the Korean People's Army in the Korean war.

The letter says:

"We have learned through South Korean publications that about 30 items of materials related to prisoners of war of the Korean People's Army during the last war had been discovered in Sinhyon-up, Kojé County, South Kyongsang Province.

"Among them, a letter intended to be sent to the world peace conference held in Paris some 40 years ago reportedly says that U.S. forces committed 'efficiency tests of firearms' and 'experiments of germ weapons' on POWs of the Korean People's Army.

"Upon hearing the news, we officials of the Red Cross Society and people of various strata can hardly repress surging national resentment at the most brutal living-body tests committed by U.S. forces on Korean POWs.



"I believe that all compatriots in South Korea including you with the soul of the nation share national sentiments with us in cursing and denouncing the never-to-be-condoned crimes of U.S. forces against the fellow countrymen, POWs of the People's Army.

"The materials discovered in Kojé island this time are another valuable historical evidence of the bestial crimes of the U.S. forces in wantonly violating international law and insulting humanitarianism.

"I request your Red Cross to immediately take a measure for sending the letter and other legacies of POWs of the Korean People's Army discovered in Kojé Island to our side, the party concerned."

### **CPRF Urges Abrogation of ROK's National Security Law**

*SK0505110993 Pyongyang KCNA in English 1053  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—The South Korean "prime minister" took issue with the North at a "National Assembly" session, stating that his authorities had no intention to abrogate the "national security law" but would maintain it. A spokesman of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in a statement today says this does not befit the "civilian government" advertised by the new "regime" and it only shows that they are still seeking confrontation and division.

The spokesman says:

"The South Korean 'prime minister' this time called for 'a decisive change of attitude' on our part. This is an unreasonable act of a man impervious to reason and, accordingly, it only gives rise to doubt about the will for reunification and reform of the present 'regime'.

"The 10-point programme of great unity of the whole nation declares the common will of the nation and reasonable ways for the fellow countrymen in the North and the South and abroad to achieve a great unity as one nation, transcending all differences, and pave the way for reunification together in order to put a period to the nearly half a century long history of division and confrontation and reunify the country.

"Now that we have already raised this constructive proposal, the South Korean authorities have to answer it now.

"Failing to give a reply, however, the South Korean 'prime minister' took issue with the North and blared that the 'NSL', now denounced as an anti-democratic, anti-reunification evil law, would be 'maintained'. This is little different from the bad habit of the military blackguards shown in the days of the 'fifth and sixth republics'.

"The whole nation now urges the South Korean authorities to respond to it.

"They must answer the question of the nation—whether they will take the road to reunification through reconciliation and great unity with the North or continue along the road of confrontation with the fellow countrymen and division in league with outside forces.

"At the same time, if the South Korean 'regime' really aspire after 'civilian government' and 'reform', it must not hesitate to remove the fascist and separatist leftovers of its preceding 'regimes' including the 'NSL' before taking issue with others."

### **U.S. Pastor Arrives in Pyongyang 4 May**

*SK0505054093 Pyongyang KCNA in English 0520  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—A U.S. pastor N. Graham and his entourage arrived here on May 4 by plane.

They were met at the airport by Ko Ki-chun, secretary general of the Central Committee of the Korean Christians Federation, and other personages concerned.

### **Choe Tae-pok Meets With Visitors From Japan**

*SK0405113493 Pyongyang KCNA in English 1052  
GMT 4 May 93*

[Text] Pyongyang, May 4 (KCNA)—Choe Tae-pok, alternate Politburo member and secretary of the C.C. [Central Committee], the Workers' Party of Korea, today met and had a friendly talk with leading members of the Hokkaido Japan-Korea friendship visiting group led by Seiichi Ikehata, member of the House of Representatives and executive chairman of the JSDP [Japanese Social Democratic Party] Hokkaido headquarters.

### **Workers Hold Solidarity Meeting With Japanese Visitors**

*SK0505053993 Pyongyang KCNA in English 0511  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—A solidarity meeting between working people in Pyongyang and members of a Hokkaido visiting group from Japan for Japan-DPRK friendship was held Tuesday.

Addressing the meeting, vice-chairman of the Korea-Japan friendship association O Mun-han said that members of the visiting group had long since expressed understanding and sympathy for and support to the just cause of the Korean people for socialist construction and the independent and peaceful reunification of the country and the activities of Chongnyon for democratic national rights.

"We will in the future, too, as in the past, tighten the bonds of friendship and solidarity with the progressive people of the world including you in accordance with the idea of independence, peace and friendship and conduct vigorous anti-war, anti-nuclear, disarmament and peace



movements," he declared. Head of the visiting group of Japan Seiichi Ikeata, Social-Democratic member of the House of Representatives and Executive chairman of the Hokkaido headquarters of the party, in his speech said that the three-party joint declaration of the Workers' Party of Korea and the Liberal Democratic Party and Social-Democratic Party of Japan on Korea-Japan relations, which was made public on September 28, 1990, should be highly appraised as one for putting a period to the gloomy history of the past and opening a new page of history of Japan-Korea relations.

He stressed that during their visit they could see at first hand the Korean people building Koran-style socialism successfully with the conviction of victory of socialism under the wise leadership of President Kim Il-song and the party, not wavering under the complicated international situation.

He stressed that Korea is one and it conforms with the national interests of the entire Korean people for the North and the South to achieve national reunification in a peaceful way through dialogue. The meeting adopted an appeal.

#### **Daily Denounces Japan's 'Military Aggression'**

*SK0505050593 Pyongyang KCNA in English 0435  
GMT 5 May 93*

**["Japan's Moves of Military Aggression Must Not Be Allowed"—KCNA headline]**

[Text] Pyongyang, May 5 (KCNA)—Intolerable are Japan's moves of military aggression designed to gratify her dominationist ambition worldwide under the cloak of "international peace", says a MINJU CHOSON analyst today.

He goes on:

A few days ago, the director of the Japan Defence Agency told a plenary session of the House of Representatives that "a special panel of UN Peacekeeping Operation" should be set up within the "Self-Defence Forces" (SDF), while "SDF" bosses were touring various countries allegedly to promote "friendship" and "cooperation".

This vividly reveals the intention of the Japanese ruling quarters to step up overseas aggression by the force of the "SDF" under the plausible pretext of "international peace".

It is the ulterior intention of the Japanese ruling quarters to enhance their military role worldwide and extend their military and political influence as a "leader of the world".

That is why they, not confining themselves to the dispatch of "SDF" to Southeast Asia and Africa, are now trying to set up even a "special panel" to extend its scope and enhance their military role.

The Japanese ruling quarters have gone through the whole catalogue of malicious slanders against the DPRK's measure in withdrawing from the Nuclear Non-proliferation Treaty, raising a hue and cry over "nuclear suspicion" against it. This was nothing but a cunning move to justify their moves toward a military power, a nuclear power and overseas aggrandizement.

The Japanese reactionary forces must act with discretion, not forgetting the lessons of history.

#### **Daily Views Ruling on Japanese Textbook on WWII**

*SK0505050893 Pyongyang KCNA in English 0441  
GMT 5 May 93*

**["No Justification for History of Aggression"—KCNA headline]**

[Text] Pyongyang, May 5 (KCNA)—The Supreme Court of Japan ruled in favor of the stand of the government pursuing the compilation of a history textbook praising Japan's "role" in World War II.

A NODONG SINMUN analyst today brands this as an insolent behavior to justify the Japanese militarist acts of aggression in the past and as an intolerable insult to the Asian nations who had suffered from the Japanese imperialist aggression.

The news analyst says:

Whatever tricks they may employ, the Japanese ruling quarters can never conceal the crimes committed by the Japanese imperialists against Korea and other Asian countries after their invasion.

In Korea alone, over one million people died after being drafted for forced labor or drafted into the army and more than six million young and middle-aged Koreans were forced to hard toil at home and abroad by the Japanese imperialists' state power during their colonial rule. Worse still, the Japanese imperialists whisked away over 200,000 Korean women and reduced them to sex slaves of the "imperial army".

This is a diabolic crime without an equal in the world.

As far as Japan's "role" in World War II is concerned, it was her occupation of Asian countries and brutal suppression, massacres, harsh exploitation and plunder against them.

It is, indeed, the height of shamelessness for the Japanese ruling quarters to talk about Japan's "role" during World War II nonetheless in a bid to justify it.

In pursuing the compilation of a distorted history textbook they seek to imbue youth and children with the militarist idea and zealously drive them to overseas aggression and create a social environment favorable to



their scheme to step up overseas aggression in real earnest along the already paved road of troop dispatch overseas.

Such a trick, however, cannot work. The Korean and other Asian nations now see through the black-hearted intention of the Japanese reactionaries, and are sounding a warning against its dangerous nature.

The Japanese ruling quarters cannot blot out their crime-woven history of aggression against the Asian people during World War II.

The Japanese reactionaries must not repeat the history of aggression but behave prudently.

### **Russian Communist Leaders Send Messages**

#### **To Kim Il-song**

*SK0505051393 Pyongyang KCNA in English 0444  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—The great leader President Kim Il-song received messages of greetings from V.I. Anpilov, secretary of the C.C. [Central Committee], the Communist Workers' Party of Russia and chairman of the executive committee of the "Working Russia" movement; N. Belokopitova, secretary of the Moscow committee of the Communist Workers' Party of Russia and chairperson of the Soviet Women's Congress; and Lyudmila Zikina, president of the Russian Academy of Folk Culture and head of the Russian folk song and dance ensemble; on the international holiday, May Day.

They wished President Kim Il-song success in the work to accomplish the noble cause of socialist construction and Reunification of Korea.

#### **To Kim Chong-il**

*SK0505051593 Pyongyang KCNA in English 0446  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from V.I. Anpilov, secretary of the C.C. [Central Committee], the Communist Workers' Party of Russia and chairman of the executive committee of the "Working Russia" movement; N. Belokopitova, secretary of the Moscow committee of the Communist Workers' Party of Russia and chairperson of the Soviet women's congress; and Lyudmila Zikina, president of the Russian academy of folk culture and head of the Russian folk song and dance ensemble.

They extend warm congratulations to Comrade Kim Chong-il on May Day and wish him great success in the work to accomplish the cause of socialist construction and Reunification of Korea.

### **WPK Greets General Secretary of South African Communists**

*SK0105085793 Pyongyang KCNA in English 0814  
GMT 1 May 93*

[Text] Pyongyang, May 1 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent a message of greetings to Charles Nqakula Thursday upon his election as general secretary of the Central Committee of the South African Communist Party.

The message expresses the belief that the friendly relations between the two parties will further strengthen and develop in the common struggle against imperialism and racism and for peace and socialism, and wishes him greater success in his responsible work.

### **Kim Il-song Gives Guidance at Pyongyang Orchard**

*SK0505014493 Pyongyang Korean Central  
Broadcasting Network in Korean 2100 GMT 4 May 93*

[Text] The great leader Comrade Kim Il-song gave on-the-spot guidance at Pyongyang orchard. Comrade Kim Il-song, the great leader of our party and people, gave on-the-spot guidance at Pyongyang orchard yesterday [4 May]. Comrade Kang Song-san, premier of the State Administration Council; Comrade Kang Hui-won, vice premier of the State Administration Council and chairman of the Pyongyang City Administrative and Economic Committee; Comrade So Kwan-hui, secretary of the party Central Committee; Kang Hyon-su, responsible secretary of Pyongyang city party committee and chairman of Pyongyang City People's Committee; Kim Won-chin, chairman of the Agricultural Committee; Yi Sin-cha, chairman of Pyongyang City Rural Economy Committee; and other functionaries concerned accompanied him.

Looking down from the Kuil hill of Nunkum-tong in the Yokpo-kuyok upon the wide orchard covered with various kinds of flowering fruit trees, the great leader Comrade Kim Il-song acquainted himself with the status of the orchard's fruit production and the status of fruit supply to citizens of the capital in recent years and set forth tasks to further increase fruit production.

The great leader Comrade Kim Il-song said that to increase fruit production, it is imperative to supply sufficient water to fruit trees as in the case of food grain crops. He taught that facilities necessary for the orchard should be supplied quickly so that the already completed irrigation system can prove its worth.

The great leader comrade said that what is most important in managing fruit trees is to establish measures for preventing damage caused by blight and harmful insects. He taught that it is necessary to prepare in advance agricultural chemicals suited to the growing conditions of fruit trees and to scatter them in a scientific manner.



The great leader Comrade Kim Il-song stressed that in addition to chemical fertilizer, more organic mineral type fertilizer should be applied to fruit trees and said that Pyongyang city should produce various types of fertilizer and supply them to the orchard and that the orchard, as well, should breed pigs to produce more various types of good quality compost.

The great leader Comrade Kim Il-song taught that the orchard should constantly increase the production of various kinds of fruit by properly improving the species and kinds of fruit trees and by planting them in proper places. He said the orchard should supply fresh fruit to citizens and children in the capital city all the year round.

The agricultural working people of Pyongyang orchard are filled with the burning determination to effect a new upsurge in fruit production by thoroughly implementing the on-the-spot teaching of the great leader Comrade Kim Il-song.

### **Reportage on Three-Revolution Exhibition**

#### **Agricultural Hall Described**

*SK0405120493 Pyongyang KCNA in English 1048  
GMT 4 May 93*

[Text] Pyongyang, May 4 (KCNA)—The three-revolution exhibition constructed in Pyongyang has the agricultural hall of a peculiar architectural beauty symbolizing a high stack of grain. Its floor space is over 10,000 square metres. On display there are 6,000 exhibits of 1,040 kinds showing achievements in agriculture, tideland building land management, fisheries, fish culture, hydro-meteorology and South-South cooperation.

Pictures, visual aids, charts, actual things, models and sand tables displayed in the agricultural section show the exploits of the great leader President Kim Il-song who set forth lines and policies for the development of agriculture in each period and each stage of the development of the revolution and gave on-the-spot guidance in the agricultural work on more than 2,160 occasions since the country's liberation, thus turning the rural communities of Korea where age-old backwardness and poverty had prevailed into modern socialist rural communities.

On show are results registered in the green revolution, materials and experience in boosting yields by the *chuche* method of farming on co-op farms, a panoramic map of the integrated fruit farm in Kwail County, a leading fruit producer of the country, and quite a few exhibits including some 30 kinds of machines for tending land and crops such as the tractor, the harvester combine, the rice-transplanting machine and the agricultural chemical sprayer telling the vivid reality of the countryside where the rural theses has brought about changes.

One can see the changes in overall irrigation of farm land through sand table of west coast irrigation setups giving

a full view of irrigation networks including the 8 km-long West Sea barrage, the newly excavated 800 km-long waterway and the excavated Amnok River, Pyongnam, Kiyang, Lake Sohung and Chongdan irrigation setups.

A chart of the projected reclamation of 300,000 hectares of tideland and exhibits showing the special reserve of Mt. Paektu revolutionary historical sites, nature, animal, plant and fish sanctuaries and the barrages built across River Taedong and River Chongchon well show the achievements in tideland construction and land management.

Displayed in the hall are materials on fisheries and fish breeding and data and schematic diagram on the observation and forecast of weather, observation of earthquakes and expedition to the South Pole.

Also available in the hall are data on successes made in economic cooperation with Tanzania, Guinea and many other developing countries.

#### **Foreign Trade Officials Visit Exhibit**

*SK0505052493 Pyongyang KCNA in English 0505  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—Economic and trade officials of foreign embassies in Pyongyang Tuesday visited the three revolution exhibition built in Pyongyang.

The exhibition opened on April 9 in the presence of the great leader President Kim Il-song consummates the achievements made by the Korean people in implementing the line of the three revolutions, ideological, technical and cultural, under the wise leadership of the party and the leader.

The exhibition is one more monumental edifice of the Workers' Party era built with domestic design, technique and efforts.

The guests saw the exhibits with keen attention.

#### **Democratic Women's Union Holds Plenary Session**

*SK0205010293 Pyongyang Korean Central  
Broadcasting Network in Korean 1500 GMT 29 Apr 93*

[Text] The 17th plenary session of the Korean Democratic Women's Union [KDWU] Central Committee took place in Pyongyang on 29 April. Present at the plenary session were Won Tong-ku, director of a department of the Workers Party of Korea [WPK] Central Committee; Kim Song-ae, chairman of the KDWU Central Committee; members and candidate members of the KDWU Central Committee; and officials of KDWU organizations in provinces, cities, counties, and major plants and enterprises.

The plenary session discussed ways to thoroughly implement the party's policy on strengthening the KDWU's organizational and ideological work. Kang Chom-suk,



general secretary of the KDWU Central Committee, delivered a report. This was followed by discussions by various participants.

The speakers pointed out: The imperialists have been viciously kicking up antisocialist maneuvers now more than ever. At this time, an important task for the KDWU is for all union members to have a firm confidence and will in a sure victory in the *chuche* revolutionary cause and vigorously carry out organizational and ideological work to defend and glorify the popular masses-centered socialism of our own style.

The plenary session noted that the union must raise its members into genuine loyalists and dutiful children boundlessly loyal to the party and the leader and further strengthen our revolution's main forces by further deepening organizational and ideological work in compliance with the party's intentions. The plenary session also presented measures toward that end.

The plenary session stressed a need to continuously give top priority to giving guidance to union members in their organizational activities to ensure that they sincerely participate in organizational activities with a clear perception on organization and abide by rules of the organization.

The plenary session also stressed a need to enhance the functions and roles of the grass-roots KDWU organizations, further deepen the movement to create exemplary loyal primary-level organizations, and, thus, strongly fill the union with loyal ranks strongly united around the party.

The plenary session also noted: To continuously improve and strengthen the union's ideological indoctrination work, the union must give priority to indoctrination work on the greatness of our party and the principles of the *chuche* idea. The union must also carry out indoctrination work by using examples of loyalty. It must also substantially carry out indoctrination work on the superiority of the socialism of our own style in various forms and ways.

The plenary session also stressed a need to prevent all forms of unsound ideological elements from infiltrating us.

The plenary session also noted a need to carry out well indoctrination work to highly display the traditional beautiful tradition of people-army unity, positively love and help the People's Army, and do something good for society and revolutionary comrades.

The plenary session also noted a need to bring about new changes in the union's organizational and ideological work under the party's wise leadership. It also noted a need for all the union members to positively wage the struggle to meaningfully celebrate the 40th anniversary of the war victory with the same spirit which they displayed during the state of semi-war.

A letter of decision was adopted at the plenary session.

### Daily Urges 'Whole Nation' To Join Patriotic Struggle

SK0405151993 *Pyongyang KCNA in English* 1506  
GMT 4 May 93

["Great Banner Calling Whole Nation to Patriotic Struggle"—KCNA headline; all numbering as received]

[Text] *Pyongyang, May 4 (KCNA)*—The great leader President Kim Il-song's policy of setting store by democracy and not suppressing political opponents but joining hands with them on the road to national reunification is a banner which makes it possible to arouse the whole nation to the struggle to accomplish the cause of national reunification and thereby put an end to the tragedy of national division and achieve the noble cause of reunification by the efforts of the nation itself, says NODONG SINMUN in a by-lined article today.

The article quotes the great leader President Kim Il-song as saying in the 10-point programme of great unity of the whole nation for reunification of the country:

"6. They should set store by democracy and join hands on the road to national reunification, not rejecting each other for the difference in isms and principles.

"They should ensure freedom of debate on and activity for reunification and not suppress, make reprisals on, persecute and punish political opponents. They should not charge anyone with pro-North or pro-South tendencies but release and reinstate all the political prisoners so that they may contribute together to the cause of national reunification." It says: The motive force of national reunification is the whole Korean nation.

It is an intolerable act of impeding great national unity for the accomplishment of the cause of reunification to deny freedom of debate on and activity for reunification to the members of the nation who have responsibility and obligation to contribute to the reunification, and to suppress, make reprisals on, persecute and punish merely for the difference in isms and principles those who rise in struggle.

To charge anyone with pro-North or pro-South tendencies cannot be viewed as a stance for reunification at the moment when a pan-national unified state should be founded through the alliance of the North and the South with different ideas and systems.

Our nation must set store by the national identity which has been consolidated through a 5,000 year long history and unite only for the common cause of the nation, the reunification of the country.

The South Korean authorities should discard the consciousness of North-South confrontation, not take issue with the reunification debates and activities of the patriotic people but release and reinstate all the political prisoners so that they may contribute together to the achievement of national reunification.



**KCNA Notes Efforts To Increase Light-Industry Production**

*SK0505110893 Pyongyang KCNA in English 1032  
GMT 5 May 93*

[Text] Pyongyang, May 5 (KCNA)—Big efforts have been directed to increasing the production capacity of the light industry and further improving the quality of its products in Korea.

In recent years the July 6 ceramic Factory, the Kaesong Aeguk garment factory, the Pyongyang yogurt factory, the shop of panty stockings for export of the Pyongyang hosiery factory and many other modern factories and workshops have been built.

The technical remodelling of production processes have been carried out successfully at several hundred units.

Last year the Aeguk color TV assembling factory, the Hungnam towel factory, factories of garments for export in Wonsan and Kowon, the injection-moulding shop of the Pyongyang vinyl chloride footwear factory, the injection-moulding boot shop of the Sunchon shoe-making factory were built and the projects for updating the foodstuff factory and a textile mill in Sakju and the Hwangju textile mill were completed to boost the production capacity remarkably.

A modern base with an annual production capacity of millions of pairs of shoes has been built at the Sinuiju shoe-making factory.

A modern pneumatic spinning shop has been put into operation at the Kaesong textile mill to increase the production capacity 40 percent. Equipment has been modernized and made highspeed to produce several thousand more tons of yarn and nearly ten million more metres of cloth.

The newly built Tachongdan meat processing factory with all the production processes mechanized and automated produces large quantities of various sausage, ham and tinned foodstuffs.

The production processes have been automated and computers and robots introduced at silk and silk textile mills of the Korean silk company.

The investment in light industry has been systematically increased every year in the country where the state regards the constant improvement of the people's living as the supreme principle in its activities.

The investment in this domain is to be increased to 104.1 percent this year as against last year.

**KCNA Reviews 5 May Pyongyang Press**

*SK0505052893 Pyongyang KCNA in English 0455  
GMT 5 May 93*

[Press review]

[Text] Pyongyang, May 5 (KCNA)—Papers here today frontpage a photo-accompanied report that the great leader President Kim Il-song gave on-the-spot guidance to the Pyongyang fruit farm.

Appearing in the press are messages of greetings sent to President Kim Il-song from foreign party leaders on his 81st birthday.

Carried in the press is a message of greetings sent by Comrade Kim Chong-il, member of the presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea and supreme commander of the Korean People's Army, to Muhammad Husni Mubarak, chairman of the Egyptian National Democratic Party and President of the Arab Republic of Egypt, on his birthday.

Papers dedicate articles to the second anniversary of the publication of the classical work "our socialism centred on the masses shall not perish" by the dear leader Comrade Kim Chong-il.

NODONG SINMUN carries the first instalment of the story telling that Koreans in Japan formed an organization under the association for the restoration of the Fatherland, an anti-Japanese united national front, in the period of the anti-Japanese revolutionary struggle.

Carried in NODONG SINMUN are an account of the Latin American regional seminar of the chuche idea on the building of a new independent society held with a large attendance in Lima, a report delivered at the seminar and news of the ninth meeting of the executive committee of the Latin American regional institute of the chuche idea.

The paper introduces beautiful deeds of working people who have devoted their all to the society, collective and comrades.

Spotlighted in the press is a statement released by a spokesman for the Korean central news agency refuting the false report of the U.S., Japanese and other subsidized western media intended to drive a wedge in the friendly relations between the DPRK and China.

An agreement of the 32nd meeting of the Korea-China border river shipping cooperation committee was signed, reports the press.

According to the press, political parties, organizations and figures of different countries issued statements denouncing the demand of the United States and its followers for a "special inspection" of the DPRK.

The press informs the readers that Samdech Norodom Sihanouk called for national reconciliation and peace, the Egyptian president called for denuclearization of the Middle East and the "wang-koo" meeting took place in Singapore.

NODONG SINMUN carries an article condemning the Japanese ruling quarters for persistently scheming to



justify the history of Japan's aggression against the Asian people in the period of World War II.

A MINJU CHOSON analyst lashes at the reckless moves of the Japanese ruling quarters to realize their design for overseas expansion.

The paper carries the first part of an article exposing the truth behind the development of nuclear weapons in South Korea.

**\* Article Examines Reasons for 'Chronic Food Shortage'**

932C0123A Seoul PUKHAN in Korean Mar 93 pp 54-60

[Article by North Korea specialist Nam Kung-yong]

[Excerpts] [passage omitted] Entering the 1980's, food production in North Korea increased at a slower pace than the rate of population increase, or even declined, ever worsening the food situation. It is estimated that North Korea needed about 6.4 million tons of food in 1991 to supply the standard amount of food to its inhabitants, but its actual grain output in 1990 was only 4.812 million tons, leaving a shortage of about 1.6 million tons. It is also estimated that grain output in 1991 was only 4.427 million tons, compared with the 6.5 million tons needed to meet demand for food in 1992, leaving a shortfall of about 2 million tons. Given the shortage of 600,000 tons in 1988 and 800,000 tons in 1989, the figures for 1991 and 1992 are indicative of an ever-increasing annual food shortage and the ever-worsening food situation in North Korea.

To meet the food shortage, North Korea increased food imports from overseas in the 1980's. In 1990 when the food shortage reached a critical point, it asked international organizations for an emergency food supply. Then North Korean Premier Yon Hyong-muk toured Southeast Asian countries from 29 January through 7 February 1991. During this tour, he agreed to import from Thailand 500,000 tons of rice in 1991 and a total of 1 million tons of rice in two to three years. He also agreed to import from Thailand 500,000 tons of tapioca, which is used as a material in the production of alcohol or as an animal feed.

However, the chronic food shortage in North Korea developed into crisis proportions because it was unable to import a sufficient amount of food to cover the shortfall, due to its worsening exchange position. For this reason, North Korea became all the more dependent on Chinese economic and food aid. One of Kim Il-song's purposes in visiting China in October 1991 was to obtain Chinese economic and food aid. In fact, in early 1991 North Korea disclosed a plan to purchase 100,000 tons of rice from South Korea through a third party at one-third of the international market price. Following this disclosure, North Korea received the first shipment of 5,000 tons of rice through Chonji Trading Firm. This

deal, the first direct transaction ever between North and South Korea, pointed to the acuteness of North Korea's food shortage.

In North Korea, the substance of the food ration is also a serious problem, in addition to the inadequate food production. Corn accounts for 50 percent of the total grain output in North Korea, whereas rice accounts for only about 40 percent.

The staple food ration for the North Korean inhabitants consists of rice and corn. Usually, the ratio between rice and corn in the food ration ranges between 3:7 and 5:5, although there are differences between Pyongyang and the countryside, differences based on status as well as season. What is worse, despite the food shortage North Korea is exporting rice in order to earn foreign exchange. As a consequence, the food situation for the North Korean people must be far worse than the statistics indicate, because of the shortage of rice, which is the principal food.

Because of the acute food shortage, prices of farm products are soaring in black markets and cases of plundering for food, suicide, and infant abandonment are reportedly multiplying. The prices of farm products on the black market are soaring because it is almost impossible to obtain an adequate food supply through the existing distribution network. The black market price for 15 kg of rice is 250 won, compared with the ration price of 1.20 won per kg; and the black market price for 15 kg of polished corn is 150 won, compared with the ration price of 0.90 won per kg. More suicide cases are reported, particularly among the elderly who are no longer able to work. The reason there are frequent suicides among the elderly is that senior citizens without ability to work feel a sense of alienation in addition to the pains of hunger, because the government, under the slogan "Anyone who does not work should not eat," does not supply even a bare minimum amount of food to them in timely fashion. [passage omitted]

Infant abandonment is widespread throughout North Korea, including Pyongyang. In most child abandonment cases, some food-short ordinary citizens go to the horrible extreme of abandoning their infants at the front doors of the homes of party cadres or rich repatriates from Japan, or in the waiting rooms of railway stations. Child abandonment cases have increased sharply particularly in the nineties, and these days child abandonment is becoming the most prevalent social issue.

**Causes of Food Shortage**

The following may be mentioned as causes of the food shortage in North Korea: the unfavorable geographical and topographical conditions for farming; problems involving rivers and flood control resulting from the reckless development of mountainous land; shortages of fertilizer, agricultural chemicals, and farm supplies; and the farmers' lack of enthusiasm for work and sagging productivity arising from the collective system of farming.



#### A. Geographical and Topographical Disadvantages

North Korea is mostly hilly land, with mountainous areas accounting for 80 percent of the total area. Arable land is said to be only 1.974 million hectares. But only 614,000 hectares, 30 percent of the total acreage, are fit for rice cultivation, and the rest is made up of dry fields. What is worse, most of the arable land is located on sharp slopes. This puts many restraints on agricultural production.

#### B. Reckless Reclamation of Terraced Fields

In an attempt to overcome these natural impediments to farming, North Korea launched an all-out program to develop terraced fields on mountain slopes beginning the latter part of the 1970's. But this program was to be a failure because North Korea lost more than it gained from the program.

The reckless reclamation of mountain slopes has had many side effects: Forest land was eroded, causing even minor floods to bury the fields down the slopes under mud or wash them away, or to raise the level of the river and reservoir beds. The aftereffects of the excessive reclamation of terraced fields became more serious particularly beginning in the latter part of the eighties.

#### C. Shortage of Farm Supplies

Another obstacle to agricultural production in North Korea is the shortage of farm supplies, such as fertilizers and agricultural chemicals. At present, there are more than 10 fertilizer plants, including Hungnam Fertilizer Complex with an annual capacity of more than 1 million tons. The combined capacity of these fertilizer plants is 3.514 million tons (2 million tons of nitrogenous fertilizer and 1.5 million tons of phosphate fertilizer). However, the actual plant operating rate of most of these factories remains at about 40 percent (based on 1991 output of 1.435 million tons), due to the obsolescence of equipment, the raw material shortage, and the shortage of coal and other energy sources. As for potash fertilizer in particular, North Korea produces very little of it, and used to import most of its supply from the former Soviet Union and East Europe. But changes in these countries have dealt a serious blow to the import of potash fertilizer. Under these circumstances, the Korean Workers' Party has called for increased production of chemical fertilizer needed in farming, with the slogan "Fertilizer means rice."

The situation is the same with the production of agricultural chemicals, and damage by blight and harmful insects are inevitably causing an inevitable drop in agricultural production. [passage omitted]

#### D. Farmers' Diminishing Desire To Work

The aforementioned factors are complexly interlocked in causing the ever-deteriorating food situation in North Korea. But the greatest of all causes is the farmers' lack of enthusiasm to work. As pointed out earlier, land and all other means of production in North Korea are owned

by the state or cooperative. That is why each and every farmer belongs to a cooperative firm and has no choice but to do farm work under the system of collective farming.

But it is exactly this system of collective farming that has created the tone of indifference among the farmers, who say, "A bumper crop or a poor crop, neither matters anyway." This means that farmers feel no urge to work harder than others because no matter how hard they may work, the shares they receive at the account settlement and distribution will be the same. That is why, although they are passive toward the farm work of their cooperatives, North Korean farmers do their utmost to take care of their kitchen gardens. As a result, the output from these kitchen gardens has doubled. In other words, North Korean farmers have lost their enthusiasm to work and have become indifferent to creative farming methods because they are denied full access to the fruit of their labor. In conclusion, it may be said that the causes of the food shortage in North Korea are deeply rooted in the system itself.

#### \* Researcher Discusses Foreign Trade Problems

932C0122A Seoul PUKHAN in Korean Mar 93 pp 46-53

[Article by Hong Song-kuk, research fellow at the Research Institute for Peaceful Reunification]

[Excerpts] North Korea's foreign trade is very small in scale, with the combined volume of exports and imports falling far below \$5 billion. Particularly, with the collapse of the Soviet Union and other socialist countries in tandem beginning in 1990, North Korea's trade volume declined precipitously. While export volume dropped to about half the level in the past, import volume also plummeted by 34.7 percent. [passage omitted] As of 1991, the scale of North Korea's foreign trade was only \$2.7 billion, a small amount compared with South Korea's \$153.4 billion. This alone suffices to show the small scale of North Korea's foreign trade.

Recently, North Korea began to realize the importance of foreign trade more keenly than ever before. That is why, in the current Third Seven-Year Plan, it proposes to increase the volume of foreign trade 3.2 times the level of the years preceding the current year plan period. This means that, compared with the goal of increasing national income 1.7 times in the same plan period, the growth rate envisaged for foreign trade is nearly double the rate of growth in national income. This indicates that North Korea's policy intention is to find the key to economic growth in foreign trade rather than in the domestic sectors. If North Korea's foreign trade policy has been successfully executed thus far in the current Third Seven-Year Plan, its foreign trade should have increased from \$3.57 billion in 1986, the first year of the plan, to \$8 billion in 1991. However, the problem is that North Korea's foreign trade has so far been shrinking rather than increasing. [passage omitted]



North Korea staunchly maintains a typical centralized socialist planned economic system. Foreign trade is no exception; it is centrally planned and controlled under the monopoly of the central authorities. It is a typical "monopolized trade" in the hands of the government. On top of that, North Korea's foreign trade is conducted for political rather than economic objectives. When it comes to management, North Korea's foreign trade is managed strictly in accordance with the "principle of unity between politics and economy." For this reason, North Korea's trade has become so stiflingly rigid that there is little room for flexibility. This poses the greatest problem encountered in trading with North Korea. This rigidity explains why, despite North Korean authorities' strongly expressed desire for expanded foreign trade, the results have been poor.

Anyone desiring to trade with North Korea must go through the strict and complex procedures set by its authorities. Trade agencies at lower levels have no discretionary power and, what is worse, the communications networks are inadequate. There are many inconveniences in conducting actual trade activities. That is why traders experienced in trading with North Korea unanimously say that they need to establish a proper "line of contact" (meaning a connection with those in power). If by chance anyone happens to deal with a low-level agency under the Ministry of Foreign Trade of the State Administration Council, he will not only have to waste so much time and money, but also have to take the risk of facing uncertain prospects of success for his deal.

Another noteworthy problem with North Korea's trade system is that production and trade are completely separated and not linked directly. This gives rise to serious problems concerning credibility in trade. North Korean trade firms, which independently operate according to the needs of the central authorities, vie with each other to secure production and procurement in the industrial sector ahead of others because of the limit to the production capacity. This is where the logic of power comes into play. Most of powerless trade firms are apt to violate their contracts despite their good intentions. North Korea's foreign debts (\$9.28 billion in 1991) exceed 40 percent of its annual gross product, and North Korea has suffered a serious blow to its creditworthiness due to its delinquency in the payment of its foreign loans. Under these circumstances, the discrepancy between trade and production will cause further damage to North Korea's creditworthiness. It is no wonder that North Korea's foreign trade has been shrinking.

In addition, problems related to planning and management are also surfacing in foreign trade.

North Korea's foreign trade is planned and managed according to the passive Stalinist view of trade. North Korea is still sticking to the radical line of building a self-supporting economy based on the principle of self-reliance or the policy of autarky. This is to say that North Korea merely regards foreign trade as an auxiliary means

of achieving self-reliance, attaching not much importance to increasing income through the international division of labor. Planning under this irrational foreign trade management tends to give priority to imports that North Korea needs. Exports are used only as a means of "earning the foreign exchange" necessary to finance imports. Even if North Korea really makes an all-out effort to increase exports, it will be difficult to find exportable goods. After all, this kind of planned trade tends only to give trading with North Korea something of a temporary nature. Under these circumstances, it becomes difficult to maintain a sustained trade relationship with North Korea because the planned indexes imposed by arbitrary directives, and the administrative management system for that matter, tend to restrain the independent and active trade activities of low-level agencies, namely, trading firms.

The absence of markets in North Korea is another factor that makes the scale of foreign trade so small. Being basically a supply-oriented economy, it is difficult for the North Korean economy to respond to the demand of the North Korean inhabitants for foreign goods as long as the current system remains in force. Despite their need for foreign goods, the authorities make decisions on imports according to political needs. Furthermore, as long as the current system—which depends on ideological independence rather than a market structure—remains intact, it will cause difficulty in increasing productivity, and, accordingly, difficulty in expanding exports. [passage omitted]

In trade methods, North Korea so far has been accustomed only to reciprocal trade and barter trade and the accounts settlement method under a payment agreement. North Korea's trading and settlement methods remain primitive. Recently, Russia and China have strongly demanded that North Korea pay hard currency for its imports. This cannot but be a critical blow because North Korea is confronted with the new, difficult task of entering overseas export markets, in addition to the difficulties caused by its scanty exchange holding.

Strictly speaking, North Korea gained a lot from trade-by-agreement with socialist countries in the past. It was able to export without regard to the competitiveness of the export items and with no particular marketing strategy, as far as an agreement was reached through political and diplomatic negotiations. It was also able to import goods from its trade partners. This fact is easily substantiated because, before its disintegration, the Soviet Union used to import North Korean goods, although "reluctantly," while airing through Radio Moscow and other media complaints such as, "North Korea does not honor delivery dates," and "the quality of products is poor." This is because in those days USSR-DPRK trade was in the form of compensation trade.

But now the situation has changed. North Korea needs know-how on business management and marketing if it is to expand trade, particularly trade with capitalist



countries. In reality, North Korea is faced with the same problems that make it impossible to cope flexibly with the changes in the international economic environment.

First, North Korea's differentiated structural problems in trade with its different trading partners must be mentioned. North Korea's foreign trade is still lopsidedly concentrated on a small number of countries, such as China, Japan, and Russia, even after the collapse of the Soviet Union. In 1991 North Korea's trade with Russia plummeted to one-fifth of the previous level due to the pressure mounted by Russia on North Korea since 1990 to settle its trade accounts with hard currency at international market prices. On the other hand, the volume of trade with China and Japan has increased slightly. There has been some change in the way it trades with different trade partners. However, North Korea has not succeeded in diversifying its trade, except that China has surfaced as its top trade partner. [passage omitted]

Keenly realizing the necessity of diversifying its trade, North Korea is trying in its own way to achieve diversification. But the lack of success in this effort indicates that it is difficult to attain diversified trade by using the old method, namely, political and diplomatic approaches. Unless North Korea looks for more positive alternatives, it can hardly expect to diversify its trade partners.

Next, the backwardness of the composition of trade items is worthy of note.

Despite the basic paucity of its natural resources, primary goods, especially underground resources, make up the mainstay of North Korea's exports. On the other hand, North Korea must rely on imports for the supply of a wide range of goods from crude oil and foodstuffs, which are vital to the North Korean economy, to durable consumer goods, raw materials, high-tech equipment, and so forth. In brief, it exports goods having a low added value while importing goods having a high added value, making a built-in trade imbalance inevitable.

Naturally, this kind of import structure is not only easily affected by changes in the world market but also imposes a limit on product development. The volume of exports is too small to pay for the import of crude oil, coke, and other forms of energy, as well as raw materials for industrial use and high-tech equipment that North Korea needs. Accordingly, it is next to impossible for North Korea to free itself from the problem of structural trade deficits as long as the composition of exports and imports is not improved.

Recently, a qualitative change began to appear in North Korea's trade structure, namely, a gradual shift in exports to secondary products that require a relatively high degree of processing. Yet, primary products, such as iron ore, nonferrous metal and other minerals, and farm and fishery products make up the bulk of export goods. On the other hand, imports are still concentrated on crude oil and raw materials which are not produced or which are in short supply in North Korea, as well as

capital goods, such as various kinds of machinery and plants. This indicates that there has been no distinctive change in the composition of trade items.

In conclusion, North Korea is currently feeling the need for foreign trade more keenly than ever before and taking some foreign policy measures in its own way to expand trade. Internally, it is stepping up the ideological indoctrination of its populace while externally pursuing partial economic liberalization.

However, it is too early to say that North Korea's basic foreign trade policy is changing, particularly so when it comes to structural change. This is because North Korea still maintains a "trade system under state monopoly," the system under which foreign trade is controlled directly by the North Korean authorities or indirectly by specific agencies under their unitary control, on the basis of socialist ownership and in accordance with the principle of achieving a self-supporting national economy.

Recently, even the major trade partners, such as the former Soviet Union and China, not to mention the former East European socialist countries, which used to maintain friendly trade ties with North Korea, have been pursuing economic liberalization policies. As a result, some changes are taking place in North Korea's trading forms and trade accounts settlement methods with these countries.

For instance, in November 1990 North Korea and the former Soviet Union signed an "agreement on changing the DPRK-USSR trade accounts settlement system." As a result, since 1991 the method of settling the trade accounts with hard currency at international market prices has been in force between the two countries. North Korea and China also agreed to introduce a similar settlement method beginning in 1992. This change in the trading system is operating as an obstacle to revitalizing North Korea's trade. [passage omitted]

In brief, to increase its foreign trade, North Korea needs to: first, establish an organic link between production and trade; second, introduce a market mechanism and a system of material incentives; third, boldly reform its system in such a way as to drastically relax foreign trade planning and remove the rigidity of the trade management system.

#### **\* Article Reveals Motivation for 'Insurance' Program**

932C0115A Seoul CHOSON ILBO in Korean 17 Mar 93 p 8

[Article by correspondent Yi Chun-san]

[Text] North Korea, which has been mobilizing every conceivable means available to realize its goal labeled national revenue enhancement, utilizes its insurance system as another one of its major parts of that mechanism.



North Korea's insurance system is quite contrary to ours in that its functional objective is fund formation rather than conserving from losses caused by unexpected accidents or disasters and the system places its emphasis on preserving properties rather than protecting lives. The way North Korea views an insurance system, deep in its concept, is that it is basically a legacy from the capitalist economic system and a profit-motivated private entrepreneurship operated by a capitalist of the capitalist society.

North Korea first applied an insurance system primarily for fire, life, and livestock in 1946 but later outlawed incorporated insurance companies and nationalized its insurance system.

Generally speaking, the insurance system structurally consists of the national insurance and the social insurance, of which the former is subdivided into the personal insurance and the property insurance. As for the social insurance, it requires a "mandatory participation" of everyone regardless whether the person wishes to or not because of its social security aspects such as medical assistance and industrial disaster compensation.

The function which is distinctively that of insurance system is maintained in the personal insurance which is comparable to our life insurance, as it pays a fixed sum as prescribed in case an insured dies or is injured. However, it strongly resembles a long-term savings policy as it is now a prevailing practice that the insurance pays back the total paid-in premiums and an additional small compensatory sum in lieu of interests to the insured when the coverage expires without any claim.

Qualifying ages for the personal insurance are 16 and over and under 65 at the time of maturity of a policy, and a policy can be written for three, five, 10, 15, or 20 years. The amount of coverage can be any multiples of 100 won up to 1000 won.

Although, in theory, participation in the personal insurance is voluntary, a person, in actuality, is pressured to participate through direct and indirect means at his work place which as a unit tries hard to achieve a higher participation rate for its record.

Property insurance means more than personal insurance in North Korea. There are some voluntary property insurance policies but basically all property insurance policies are of mandatory participation. Targeted subjects for coverage are the major properties including plant machinery owned by cooperative organizations such as industrial/manufacturing sites. Types of the insurance include fire, natural disaster, fishing boat, livestock, construction project and assembly, machinery damage, and automobile. There are international insurance, as well, to cover the loss of lives and properties incurred in international dealings; they are independent of the internal insurances.

## South Korea

### Reportage on DPRK's Withdrawal From Nuclear Treaty

**IAEA Inspection Team Waiting for DPRK Visas**  
*SK0505000493 Seoul KBS-1 Radio Network in Korean*  
2325 GMT 4 May 93

[REUTER, YONHAP from Vienna]

[Text] The International Atomic Energy Agency [IAEA] said today that its inspection team's departure for Pyongyang has been delayed because it could not obtain the North Korean visas in time.

IAEA Spokesman David Kyd said: The inspection team was expected to leave Vienna on 2 May, but it couldn't due to its failure to obtain North Korean visas. It has been waiting for North Korean visas. The inspection team is likely to leave on 6 May.

### Seoul Outlines Plan for Solving Issue

*SK0505033493 Seoul SEOUL SINMUN in Korean 5 May 93 p 2*

[Text] The government has decided to adopt a three-way method to urge North Korea to reverse its withdrawal from the Nuclear Nonproliferation Treaty [NPT]. They will support international sanctions through the UN Security Council, support U.S.-North Korean high-level contacts, and initiate direct contacts with North Korea within this month. Based on the stance that it is not desirable to incite North Korea, the government has decided to try to persuade North Korea by using the card that "North Korea should first reverse its NPT withdrawal, and then it should accept the special inspections by the International Atomic Energy Agency [IAEA]."

A government official said: The final goal demanded by our government, the United States, and international society is to block North Korea from developing nuclear weapons through the IAEA's special inspections. It is more urgent to make North Korea reverse its NPT withdrawal. He added: Our government is negotiating with relevant countries a method for having North Korea reverse its NPT withdrawal and accepting IAEA special inspections.

**'Source': PRC Opposes Accepting UN Resolution**  
*SK0505012893 Seoul CHOSON ILBO in Korean 5 May 93 p 1*

[Article by correspondent Pak Tu-sik]

[Text] It has been learned on 4 May that China officially objected to the UN Security Council's first resolution against North Korea as it now stands.

On 4 May, according to a Seoul-based diplomatic source, China, which can exercise its veto on various agenda items as one of the five permanent UN Security Council



members, told Western permanent UN Security Council members: It is not proper to accept a resolution at the United Nations at present. China proposed to the Western permanent UN Security Council members that a neutral statement of the UN Security Council's chairman should be accepted.

China, however, has changed its stance on objecting to discussion on North Korea's nuclear issue among UN Security Council permanent members. China will participate in unofficially discussing the nuclear issue beginning this week. Our attention, therefore, is focused on the result of the nuclear issue negotiations.

The other permanent UN Security Council members—the United States, Great Britain, France, and Russia—and Western countries delivered to the Chinese side the draft of the resolution against North Korea on 23 April. It has been learned that they are holding unofficial negotiations to see whether the Chinese stance may lead to the exercise of its veto right.

Assuming that "China may agree with other Western countries on taking a UN measure to resolve the North Korean nuclear issue," the Seoul-based source added that "a brisk behind-the-scenes contact is under way with the Chinese side."

The source noted: Western countries, including the ROK and the United States, hope to accept resolutions twice by 12 June—the time when North Korea's withdrawal from the Nuclear Nonproliferation Treaty goes into effect. The source added: The Western side thinks that a grave stumbling block has been created in implementing the plan.

In the likelihood that the resolution against North Korea would be accepted through the Chinese side's "abstention" or "silent assent" at the UN Security Council on around 7 May, the ROK Government had planned to send Sin Ki-pok, first assistant secretary of the Foreign Ministry, to New York on 4 May. The ROK Government, however, postponed sending Assistant Secretary Sin to New York. The source revealed that the ROK Government had also planned to send Assistant Secretary Sin to Washington to negotiate resuming the North-South dialogue with the U.S. Government.

#### **Minister Discusses DPRK Issue, Japan**

SK0505113793 Seoul CHOSON ILBO in Korean 5 May 93 p 5

[Interview with ROK Foreign Minister Han Sung-chu by Kang Chon-sok, CHOSON ILBO senior political affairs correspondent, on 1 May—place not given]

[Text] [Kang Chon-sok] I would like to ask, first of all, about North Korea's nuclear problem. At present, such pressing events as the visit to the North by an inspection team of the International Atomic Energy Agency [IAEA], the U.S.-North Korea high-level contact, and adoption of a resolution at the UN Security Council are expected

to take place soon. What are the plans and lines that our government is considering in a bid to cope with them?

[Han Sung-chu] Although I cannot tell at this moment how such events will develop and when they will actually take place, I may say that they are proceeding generally as we expect and according to the overall "road map" which we have already worked out. It is too early to assume the results. I believe, however, that international efforts for solution of North Korea's nuclear problem will be made before the UN Security Council inevitably takes sanctions against North Korea. After such efforts are made, then the North and the South will make efforts to realize mutual inspections for denuclearization. The reason that we have not stressed this point for the past two months is that the international solution is more urgent than the North-South efforts.

[Kang] Will the U.S.-North Korea high-level contact be an occasion for promising to offer a "carrot" or a place for the United States to express its tough position?

[Han] I think that the contact will have a considerable significance on "symbolic compensation" toward North Korea. North Korea has so far claimed that the nuclear issue is a problem which can be resolved through direct dialogue with the United States while the United States and international community stressed that the issue is one between North Korea and the IAEA and thus cannot be resolved only through a U.S.-North Korea contact. The two sides will meet by maintaining these two different positions based on their own interpretation. The prospect that appeasement, which has been expressed as a "carrot," will be conveyed to North Korea is not realistic and groundless, because the contact will not be a meeting to draw any conclusion but will discuss problems. We should keep in mind that the U.S.-North Korea contact will not be an occasion for bargaining over certain commodities.

[Kang] China's role in North Korea's nuclear issue attracts public attention. Are the ROK's and the United States' expectations for China of an appropriate degree?

[Han] We can view China's role from two standpoints. One is "what China can do" and the other is "what China should not do." At present, China does not have many things that it can do positively. However, the possibility of China's passive influence, such as not exercising a veto, is increasing with the passage of time. Although China may not participate 100 percent in United Nations economic sanctions, it will respond to a certain degree, and such reaction by China will be more likely as 12 June draws nearer.

[Kang] When we review the original point of North Korea's nuclear issue, we come to have suspicions of why North Korea is going to persistently have nuclear weapons and what its true intention is. We believe that North Korea's desire to have nuclear weapons is so strong that North Korea will eventually have them. If so,



this will seriously affect North-South relations. What method is helpful for coping with this situation and for reunification?

[Han] I think that North Korea's intention to develop nuclear weapons was prompted by the aim to safeguard its political system and by a fear complex against the economic and military power of the ROK and the United States. In other words, North Korea thought that it could not compete with them in any way. Therefore, it adhered to nuclear development. What is serious is that North Korea began nuclear development not a short time ago but more than 10 years ago. It directed enormous efforts and materials for this.

Because of its own internal reasons and strategic point of view, North Korea will not give up nuclear development on a single morning. North Korea may still have the strategic intention it had when it decided to develop nuclear weapons, and even if it no longer has such an intention, its desire to attain its goals through nuclear weapons has not changed. Therefore, our policy should be implemented on the assumption that the North has the intention to continue nuclear development.

As long as North Korea develops nuclear weapons and as long as suspicions of such development remain, improvement in North-South relations and national reunification are impossible. I would like to emphasize at this point that the development of nuclear weapons is a direct obstacle to improving North-South relations as well as reunification. I believe that North-South relations can be improved through dialogue and negotiations but reunification will be possible only when "a new situation" develops.

[Kang] Whether or not the report on clashes in the North Korea-China border is true, the report gives a certain implication of dubious relations recently developed between the two sides. What is your opinion?

[Han] Although there is the possibility of the occurrence of an accident, North Korea-China relations are not in so bad a situation as to lead to armed clashes. We cannot say their relations are very cooperative but are not so critical as the Sino-Soviet conflict. If a clash actually took place on the border, it would be an accident occurring in the course of blocking the escape of North Korean residents. However, we do not rule out other possibilities in view of unpredictability within the North Korean system.

[Kang] Let us now take up the issue of ROK-Japan relations. The "forward-looking relations," which the two countries constantly stressed in the past, have excessively comprehensive and ambiguous meanings. Is there any prospect that the two countries will develop into partners of the reunification era from that of the cold war era?

[Han] It is indeed a very difficult task. However, the two sides should change their mutual attitude toward each other. Although it is our hope that the Japanese should

admit their wrongdoings of the past and should have a sense of apology, this is, in actuality, something that the Japanese themselves should do voluntarily. Therefore, if we persistently demand so, this will possibly bring about an adverse effect. Moreover, forcing one to do something that one dislikes may not be helpful to any one. For example, making a political issue with the possibility of a threat of Japan becoming a big military power would have more negative effects than positive ones, although we should pay keen attention to this. On the other hand, the reunification of North and South Korea is a great trend of the time which Japan should also accept. Even if Japan wishes to maintain the present situation, Japan is not in a position to interfere in our affairs to disturb the reunification. It is the appropriate stance for us to regard Japan as "our close neighbor" from now on.

[Kang] When do you think the Japanese emperor will visit our country and when would be the most appropriate time?

[Han] The Japanese may want to think that with Japanese emperor's visit to the ROK, liquidation of the past will be completed. The symbolic significance of the Japanese emperor's visit to the ROK is very great. However, his visit would be more natural when such symbolic significance is lessened. His visit may be realized in one or two years, if necessary. I think, however, that the relations between the two countries will develop in a natural manner when such necessity is lessened.

[Kang] How do you think our security strategy should be established and what is your view on moves of competition for military expansion between China and Japan in northeast Asia?

[Han] It is true that both China and Japan are aware of the possibility of mutual military competition and that rapid advance toward disarmament, like in Europe, is unlikely in Asia. However, the efforts to resolve disputes by means of force are also diminishing. We should pay attention to this.

In view of the trend of the reduction of the U.S. Armed Forces, of the arms race between China and Japan, of Russia's military power that still actually exists in the Far East, our security environment needs efforts in many ways. The first-stage security strategy is for the North and the South to strengthen their forces through national reunification, instead of weakening them by confronting each other. At the same time, we should seek a way for survival amid a balance with big countries. The idea that we should arm ourselves with nuclear weapons since our surrounding countries are nuclear states is not convincing. Rather we should make efforts to attain a balance and cooperative system with big countries.

[Kang] You were a scholar who criticized foreign policy outside of political circles but you are now subject to criticism. What is your present feeling? How do you think the true aspects of our current foreign policies are viewed from within?



[Han] One becomes more mature through criticism by public opinion. However, the press often makes me embarrassed and feel tired. I have actually sensed that our diplomacy has remarkably grown and diversified in many ways. The representative example for this is the beginning of the full-scale diplomacy with four big powers. However, I feel that there are many things that need to be revised and supplemented in the content, structure, and execution of our foreign policy.

**'Official': DPRK-U.S. Talks 'Imminent'**

SK0505033993 Seoul SEOUL SINMUN in Korean 5 May 93 p 2

[Text] U.S.-North Korean high-level contacts are likely to be held next week.

A relevant Foreign Ministry official said on 4 May that First Assistant Foreign Minister Sin Ki-pok would visit Washington early next week to discuss this issue.

He stressed that the government had decided to send its high-level relevant officials to the United States to coordinate in advance opinions between the two countries prior to the U.S.-North Korean high-level contacts. He said: U.S.-North Korean high-level contacts are imminent.

**Editorial Favors Delaying Move of U.S. Base**

SK0505015293 Seoul THE KOREA HERALD in English 5 May 93 p 6

[Editorial: "Reviewing U.S. Base Relocation"]

[Text] The government is said to be reconsidering the planned relocation of the U.S. military base in Yongsan to the countryside south of Seoul. New security challenges on the peninsula and the enormous cost required for the move, in the words of government sources, have made necessary a second look at the plan formulated three years ago.

Korea and the United States concluded an accord in June 1990 to relocate the Yongsan compound to Osan and Pyongtaek by 1997. Already the golf range in the compound has been moved to another area in Seoul and a public park is being built on the site. But still in Yongsan are the crucially important commands of the ROK-U.S. Combined Forces, the U.S. Forces Korea, the U.N. forces, and the U.S. Eighth Army.

Keeping a massive foreign military base in the heart of a country's capital is not desirable for many reasons. For one thing, the sentiment of the people of the host nation runs counter to such a situation. Apparently mindful of this, the government of former President No Tae-u negotiated the relocation to comply with his election pledge made in 1987.

When drawing up the removal plan, planners estimated that its cost would be sharply reduced in view of the

projected phasedown of the American forces. The phasedown, however, has been put on hold due to the unrelenting threats from North Korea. Still worse, Pyongyang has made its threats more palpable by continuing its nuclear program and opting to leave the Nuclear Non-proliferation Treaty. A nuclear-armed North Korea, given its adventurous unpredictability, could menace the shaping of a new peace order in the region.

As things stand now, carrying out the relocation as planned would cost Korea, which is to bear all expenses, trillions of won, far more than originally estimated. This projected cost deserves serious consideration, as the nation is at this time compelled to endure a constricted budget.

Surely, it would be unpleasant for us to let foreign troops be based permanently in a huge complex in our capital's heart. Yet, from a security standpoint, postponing the relocation at the moment could serve the good of both sides. Keeping U.S. commands in Yongsan instead of moving them southward could prove to be a better deterrence against North Korea, which should never be allowed a miscalculation that may lead to destabilizing adventurism. So the huge expense of carrying out the relocation at this time leads one to doubt the wisdom of such a step.

We hope that the day will come when we do not need a massive foreign military presence in the middle of the capital. To make this possible in reality, delaying the move, at least for the time being, merits positive consideration. Both sides need to pool their wisdom to find the best option available.

**Seoul To Expand Public Officials' Overseas Training**

SK0405121293 Seoul YONHAP in English 1112 GMT 4 May 93

[Text] Seoul, May 4 (YONHAP)—The government plans to expand overseas training of public officials in Russia and other newly emerging trade partners of Korea.

As part of the plan, the Government Administration Ministry intends to select 30 grade-3 and -4 officials for training in these countries starting in September.

Of the 30, 10 are to be sent to China, eight to Russia, five each to Southeast Asia and Latin America, and two to Southwest Asia.

A ministry official said that because hitherto overseas training has been concentrated on advanced countries like the U.S. and Japan, there lack expert officials specializing in the affairs of these countries.

Trainee officials will study local language and administration for three years at institutions to be recommended by respective Korean missions, the official said.



**Japan Agrees To Widen Seoul Participation in ODA**

SK0405120693 Seoul YONHAP in English 0957 GMT 4 May 93

[Text] Seoul, May 4 (YONHAP)—Japan agreed to widen South Korea's participation in its official development assistance (ODA) projects in a first bilateral meeting on coordinating overseas aid Tuesday.

The two countries promised to exchange experience and know-how for joint ventures at third countries and find ways to extend assistance to new problems areas such as environment, officials said after the meeting at the Foreign Ministry.

This was the first talks between the two countries designed to coordinate the target areas of their overseas assistance funds and other ways of helping underdeveloped countries while setting scope of future aid in line with global political and economic changes, ministry officials said.

Cho Won-il, director-general of international economic affairs, led the meeting with Katao Kawakami, director-general of Economic Cooperation Bureau at the Japanese Foreign Ministry.

Seoul and Tokyo plan to regularize the meeting, officials said.

South Korea had lacked information about Japan's 11 billion U.S. dollars worth of ODA projects to gain entry in the bidding. Tokyo promised to open the information at ODA policy seminars with Seoul, the officials said.

The two countries discussed having their youth volunteers cooperate during their overseas services. The Korea International Cooperation Agency (KOICA) and its Japanese counterpart Japan International Cooperation Agency (JICA) will set an information exchange channel for joint participation at third country projects, they said.

**DLP, DP Leaders Support Kim Yong-sam Reforms**

SK0105013993 Seoul THE KOREA TIMES in English 1 May 93 p 2

[By staff correspondent Han Tong-su]

[Text] The executive chairmen of the ruling Democratic Liberal and main opposition Democratic parties have delivered keynote speeches at the National Assembly in which they shared identical views on the necessity for sweeping social reform and many other subjects.

In a speech at the Assembly Thursday, DLP [Democratic Liberal Party] executive chairman Kim Chong-pil vowed that the ruling party will reform Korean politics, saying that the political reform will be the starting point of overall social reform.

Kim said the party will actively support President Kim Yong-sam's reform by acting on pertinent laws and institutional devices which will back up his reform in the ongoing Assembly session.

In a speech the following day, DP [Democratic Party] executive chairman Yi Ki-taek said that he and his party hold a positive view of President Kim's reform.

Yi said that the DP is willing to be a partner of the ruling camp in propping up Kim's reform.

The opposition leader, however, withheld unswerving support for Kim's policy, raising questions about the methods of the reform drive.

Yi expressed misgivings about the ways the reform is being carried out, saying, "The president's personal will and orders are becoming the unique criteria and principles of action in the reform. The reform should be carried out on the basis of law."

Expressing regret over the arrest of Rep. Yi Tong-kun of the opposition party, Yi said that the government lacks firm principles in applying the law and conducting its clean-up campaign.

Yi urged the government to allow "no sanctuaries" in its anti-corruption campaign, suggesting a thorough probe into the "Yulgok" military procurement project and other irregularities allegedly committed by the powers-that-be of the past regimes.

The opposition leader called for the National Assembly to open a special hearing to unearth corruption and irregularities of the Sixth Republic. He said that former presidents should not be immune to the probe into past wrongs.

He warned against the possible resistance from anti-reform forces, calling for establishment of a "national reform promotion committee" composed of figures from all walks of life. He urged that the reform should be conducted thoroughly and swiftly.

In sharp contrast with Yi's radical views, DLP representative Kim Chong-pil said that the reform should be sought on the basis of "stability."

"Stability is a prerequisite for reform and stability is the result of the reform," said Kim, a mastermind of the 1961 military coup who is regarded as heading the old guard within the ruling camp.

Kim, however, said the ruling party will take the lead in the President Kim-engineered reform and will make every effort to support it institutionally.

Kim solicited help from the opposition party to have the reform succeed, saying the ruling party will no longer view the opposition party as a foe. "As a partner in national affairs management, as a companion in reform or as a critic of the ruling party, we want a strong yet reasonable opposition party," he said.



Noteworthy in Kim's speech is the ruling party's clear-cut apology for its McCarthyist campaigning against the opposition party, which had forged an alliance of convenience with radical dissident forces during the last presidential campaign, and its presidential candidate Kim Tae-chung.

Since the election defeat, the opposition party has taken issue with the ruling party's mean smear tactics, intentionally hindering smooth operation of the National Assembly once in a while.

The opposition party accepted Kim's apology and decided not to make an issue of it any longer.

Both Kim and Yi agreed to the necessity to heal wounds caused by the military's bloody suppression of a civil revolt in Kwangju in 1980.

But Kim was more cautious in touching the volatile issue, saying, "The Kwangju issue is the most festering wound Korea has suffered in the course of democratization. Our party will make every effort to see the civil uprising regarded as a 'democratic movement.'"

Over the Kwangju issue, Yi pitched his tone a little higher, urging the ruling party to launch a special National Assembly committee to unearth the true picture of the tragic incident.

Kim did not mention the local autonomy, while Yi emphasized the necessity to hold the elections of city mayors and provincial governors at the earliest possible date.

They shared the view that the Korean economy is in crisis. But they differed over what to do about it.

Yi argued that the Kim Yong-sam government's economic pep-up plan only benefits big business groups at the cost of workers and the underprivileged, urging the government to introduce the real-name financial transaction system and other policies aimed at realizing economic justice immediately.

The two representatives expressed similar views on the North Korean nuclear issue and rice market protection and other agricultural promotion policies.

#### **Kim Yong-sam Discusses Military Reforms, Changes**

*SK0405104393 Seoul YONHAP in English 0952 GMT 4 May 93*

[Text] Seoul, May 4 (YONHAP)—President Kim Yong-sam said Tuesday that his reforms were going as planned and were the "only choice" for Korea at the moment.

"They will continue at the proper speed, neither too fast nor too slowly," he told city editors of local media organizations at a luncheon meeting.

"Changes and reforms are basically for going forward into the future and are not for uncovering the past, but we can see the future by looking back on the past," Kim said.

Asked by the editors if he intended to purge corrupt Army officers as he had done with their Navy and Air Force colleagues, Kim said he had already cleaned out the Army.

"The last reshuffle of Army generals was a great thing," he said. "Personnel appointments in the Army have been conducted by a handful of strange people in their own order and it was a wrong habit. I have thoroughly corrected it."

Resistance to his command was hardly thinkable, Kim said.

"How dare military people with badges of rank (on their shoulders) disobey?" he asked. "I could not consult with anyone on my thoughts of the military, but I thought of it before my inauguration."

"As supreme commander of the military, I thought, I could neither compromise nor get along with (irregularities in the military)."

Kim said he was not receiving interim reports on the activities of the Board of Audit and Inspection [BAI]. He said the BAI was using its discretion in its activities.

On the possibility of tax probes into media organizations, he said there was no "sanctuary."

#### **Naval Officer Arrested Over Promotion Scandal**

*SK0305022093 Seoul YONHAP in English 0048 GMT 3 May 93*

[Text] Seoul, May 3 (YONHAP)—Commodore Yi Yong-kun, ordered to return from Britain, was taken into custody by the Defense Ministry's prosecutor for questioning in connection with a promotion scandal when he arrived back Sunday, the ministry said Monday.

The prosecutor was trying to find out whether Yi had given money to Sin Yong-cha, wife of retired Adm. Kim Chong-ho, for his promotion when Kim was the chief of naval operations, ministry officials said.

The ministry had decided to arrest Yi and other high-ranking officers if they were found to have paid money for promotion, the officials said. At least one commodore and four or five field grade officers were suspected to have bribed Kim, they said.

The prosecution was also looking into an allegation by members of Yi's family that Shin had asked them to lie about the size of the bribe to investigators, the officials said.



The ministry was also investigating five or six generals and some field grade officers of the marine corps to see whether they had bribed former commandant Cho Ki-yop, the officials added.

#### **Air Force Officers Protest Colleagues' Arrest**

*SK0105045593 Seoul YONHAP in English 0434 GMT 1 May 93*

[Text] Seoul, May 1 (YONHAP)—Air force officers are protesting at the prosecution's handling of a promotion scandal, saying that it smells of a political vendetta.

Field-grade officers, Defense Ministry officials and the joint chiefs of staff say the arrest of five senior air force officers with high reputations on charges of bribery stinks of a political reprisal for former Air Force chief of staff Chong Yong-hu's revelation of irregularities in the Korean fighter program.

In a meeting at the Defense Ministry on Friday, they complained that arresting the five key field commanders after bribery charges against Chong were settled with his retirement in September 1990 was unfair, especially in view of the way that the navy promotion scandal was dealt with.

The bribes that military investigators claim the five officers gave ranged from 3 million won to 30 million won, which they said was insignificant compared with what the navy officers paid for their promotions, and that the money was a "thank-you gift" after receiving new ranks while the navy officers bought their advance.

The Supreme Public Prosecutor's Office arrested Chong Saturday on charges of taking bribes totaling 200 million won from seven air force officers for their promotions in 1989, when he was Air Force chief of staff.

In related development, the Board of Audit and Inspection (BAI) completed its preliminary investigation of the military improvement plan, known as "Yulgok project," and will start to investigate the Joint Chiefs of Staff, the Defense Logistics Headquarters and other defense organizations on Monday.

The investigation will focus on purchases of weapons systems, such as next-generation fighters, submarines and tanks, and will cover defense contractors as well.

A BAI official said a considerable number of problems had been found with weapons systems during the preliminary investigation.

#### **Prosecution Arrests Former Air Force Chief on Bribery**

*SK0105103693 Seoul YONHAP in English 0819 GMT 1 May 93*

[Text] Seoul, May 1 (YONHAP)—The prosecution arrested former Air Force Chief of Staff Gen. Chong Yong-hu (retired) Saturday on charges of having

received 200 million won (255,000 U.S. dollars) in bribes while he was in the service in December 1989.

Chong was charged with having received the money in return for giving favoritism to officers for promotions.

Chong had earlier denied the charges.

#### **Strike Causes Hyundai To Suspend Production**

*SK0405025893 Seoul YONHAP in English 0234 GMT 4 May 93*

[Text] Ulsan, May 4 (YONHAP)—Hyundai Motor Co. suspended production at all plants Tuesday except for commercial vehicle assembly lines due to a lack of parts caused by a strike at a supplier.

A labor dispute at Apollo Industrial Co. halted supplies of bumpers, headlamps and crash pads, forcing Hyundai to stop overtime at some plants on April 29 and shut down three car assembly lines and plants for producing grace vans and porter minitrucks on Tuesday.

The shut-down will cost Hyundai 30 billion won a day in lost production of about 4,000 vehicles, company officials said.

#### **\* Article Summarizes Liberalization Plans**

*932C0114A Seoul MAEIL KYONGJE SINMUN in Korean 24 Mar 93 p 4*

#### **[Text] Economic Planning Board**

- Relaxation of excessive or unnecessary price controls:
- Limiting the system of reporting the industrial products supply and demand situation to a necessary minimum to include only daily necessities and similar items.
  - Abolishing the ineffective commercial building rent control system.
  - Letting local governments take control of private-sector service charges according to the conditions in each locality.

#### **Flexible operation of the fair trade system:**

- Increasing the number of days on which merchandize can be put on special sale from 40 days to 60 days a year.
- Easing the limit to the amount and frequency of premiums offered.

#### **Finance Ministry**

Removal of obstacles to raising money in direct or indirect financial markets:

- Lifting the industry-by-industry limit to the amount of commercial bills discounted (current limit: 1/2 of the amount of drafts due in the preceding year).
- Easing restrictions on acquiring collaterals by small and medium businesses.



- Raising the maximum credit guarantee on small loans to small and medium businesses amounting to less than 100 million won (from  $\frac{1}{4}$  of the annual gross sales to  $\frac{1}{3}$ ).
- Easing regulations limiting the maximum amount and term of loans for operating funds.
- Easing the required qualifications for issuance of foreign currency-denominated securities (from the annual net profits in three consecutive years to the net profit accumulated in three consecutive years).
- Permitting qualified small and medium businesses to increase their paid-in capital or issue corporate bonds to meet the full amount of its financial need.
- Lowering the minimum amount of brokered bills from 100 million won to 50 million won and increasing the number of agents dealing in such bills.
- Expanding the eligibility to receive advance payments for exported goods, from firms with an annual export record of more than \$500,000 to all exporting firms.

**Relaxation of restrictions on business operations:**

- Removing plant funds from the list of government's administrative guidance designed to curb increases in loans to leading corporations.
- Lifting the requirement for firms desiring to make a large direct overseas investment of more than \$30 million to have the expert agency concerned screen the appropriateness of such investment...
- Extending the deadline for collecting the prices of goods exported under a D/A method from within a year to within two years of shipping the goods.
- Permitting general trading firms to invest in overseas securities.
- Allowing each firm with a foreign trade record of more than \$100 million to hold foreign exchanges overseas up to 10 percent of its amount of trade and within the limit of \$100 million.
- Narrowing the range of small and medium businesses subject to audit by an outsider.

**Increased support for businesses through tax benefits:**

- Avoiding the overlapping of the deadline for the intermediate payment of the corporate tax and that for the payment of the value added tax.
- Changing the current monthly business tax installment payment system for very small enterprises to a quarterly installment system.
- Allowing a tax credit for the purchase tax paid even when the issuance of a tax computation form is delayed, as long as the transactions are confirmed.
- Adjusting the difference between the corporate accounting and the tax accounting to the advantage of the tax payers.
- Raising the amount eligible for a refund under the simplified customs refunding system from \$50,000 to \$100,000 in each transaction, as well as expanding the coverage of this system from firms with a refund record of 20 million won to firms with a refund record of 50 million won.

**Institutional improvements to offer better services to the people:**

- Lifting the loan limit for the same borrower in the family in making household loans.
- A deposit withdrawal form, in addition to a personal check, can be used to withdraw money from a household checking account.
- Increasing the amount of each cash withdrawal limit by use of the cash card from 500,000 to 700,000 won.
- Relaxing restrictions on disposal of employee-owned company stocks or stocks obtained by union members (from after retirement to seven years after retirement), and shortening of the minimum obligatory term of a deposit (from three years to two years)
- Lifting the limit (10 percent) to the amount of stocks of listed companies that ordinary investors can own.
- Simplifying the insurance money receiving procedure by abolishing the requirement to present a certificate of seal impression for receipt of an insurance payment and by introducing an on-line transfer system through the bank account.
- Increasing the maximum amount of cash payment for insured auto repairs from 1 million won to 2 million won.
- Requiring insurers to pay the insurance money within 30 days of the date of an accident and to add the interest when the payment is made after the 30-day deadline.
- Eliminating the provision in the National Bonds Law exempting bonds from the application of the Civil Code, so that the bond ownership may be claimed even when the bond certificate has been destroyed.
- Allowing needy people to pay back by installment the price of the state-owned properties they purchased when it is difficult for them to make the payment in full.

**Ministry of Agriculture, Forestry, and Fisheries**

**Measures pertaining to acquisition and utilization of farmland and hilly land:**

- Permitting agricultural research institutions and firms producing farm supplies and materials to acquire farmland.
- Allowing exceptions to the minimum six-month residence requirement prior to the purchase of farmland, with a view to encouraging new entries to farming.
- Lifting the requirement to obtain a farmland purchase certificate when a permit to buy or sell farmland is issued.
- Allowing firms to use farmland in expanding their factories by simply filing a report when the land so diverted does not exceed 1,000 pyong.
- Increasing the scope of authority of mayors or county chiefs to authorize a diversion of the use of farmland to other purposes from 1,500 square meters (450 pyong) to 10,000 square meters (3,000 yong).
- Reducing the number of forms used in applying for farmland diversion authorization from seven to five.
- Exempting land from the collection of money in the form of a substitute afforestation levy or a charge for the diversion of land use when a piece of land is used for a project designed to increase the incomes of the



- farm or fishery community, such as the operation of an agricultural or fishery products reprocessing plant.
- Increasing the minimum acreage requiring a certificate of transaction when a piece of forestry land is sold or purchased, from 600 pyong to 3,000 pyong.

#### Measures pertaining to livestock and grain:

- Changing the current licensing system for the livestock business to a registration system, and lifting the lid on the number of domestic animals that can be raised.
- Letting the private sector to set crude oil prices at its own initiative without having to consult the Economic Planning Board and the Ministry of Agriculture, Forestry, and Fisheries.
- Removing restrictions on designating authorized dealers of imported beef.
- Letting the Federation of Stock Raisers Cooperatives determine the stock transaction fees on its own.
- Removing the obligation of restaurant owners to mix cereals with rice in serving food.
- Changing the current licensing system for grain merchants, rice polishing mills, and millers to a report or registration system.

#### Measures pertaining to fisheries:

- Shifting the jurisdiction over fishing licenses and disposal of fishery rights from metropolitan mayors and provincial governors to local mayors and county chiefs.
- Allowing multiple fish farming in designated waters.
- Abolishing compulsory inspections of export-bound fishery products.
- Expanding the scope of exemption from fishing boat inspections and stretching out the inspection period.
- Requiring fishery products processors and fish farmers to employ pertinent technicians.

#### Other measures:

- Abolishing the noninspection system for raw silk exports.
- Eliminating the inspection requirements on popular farm machines.
- Changing the licensing system for animal feed producers to a registration system, and abolishing the report system for animal feed dealers.
- Shifting the licensing system for the manufacture and import of agricultural chemicals to a registration system.
- Abolishing the Farmland Mortgage Law that prohibits mortgaging farmland for non-agricultural purposes.

#### Ministry of Trade, Industry, and Resources

##### Measures pertaining to the factory establishment procedures and management and operation of industrial estates:

- Modifying the standards for designating urban type business in accordance with local and industrial peculiarities.
- Easing the shortage of plant sites for high-tech industries by a downward adjustment of the standard acreage required for factories.

- Lowering the rentals for apartment-type factory spaces rented.
- Permitting factories operating in an industrial estate to lease up to 50 percent of their equipment.
- Preparing a plan for revamping the operation of the Industrial Estate Management Corporation by the end of the first half of the year.

#### Measures pertaining to export and import:

- Eliminating the requirement for a compulsory advance inspection of export goods included in the list of items requiring such inspection (120 item).
- Changing the current licensing system to a registration system for foreign trade.
- Allowing exporters to export the same kind of goods repeatedly for a certain period of time under a single permit, and exempting a small amount of export not exceeding \$10,000 from the requirement to obtain an export permit.

#### Energy-Related Measures:

- Lifting regional restrictions on briquet sales.
- Drastically easing various employment and training requirements for energy-related firms.
- Expanding opportunities for small and medium enterprises to participate in energy-related plant construction projects.
- Doing away with the practice of consulting the police station when issuing a permit to operate a gas station in the area under its jurisdiction.

#### Measures pertaining to the quality control and distribution of manufactured products:

- Easing the requirement for employing quality control personnel, and simplifying various kinds of red tape.
- Radical upward readjustment of the standard size of space used for a large-scale shopping center.

#### Ministry of National Construction

##### Measures pertaining to industrial location:

- Rational computation of the prices of factory sites parceled out in an industrial estate.
- Simplifying the procedures for designating and developing industrial estates.
- Expanding private-sector participation in industrial estate development projects.

##### Measures pertaining to construction:

- Permitting the separate completion of the portion of the construction project in each tong when a factory site encompasses a number of tong.
- Lifting the requirement for constructing basements when a housing for factory employees is built.
- Simplifying the screening procedures for building permits and abolishing the guidelines that have no legal basis.
- Requiring only a report when a small factory is built inside an established industrial area.
- Easing the ban on building facilities, such as residential and recreational facilities for the old and weak, in the same building.



**Measures pertaining to the building industry:**

- Changing the system of issuing builder's permits once every three years to a system under which such permits are issued annually or on demand.
- Exempting projects that require an advance screening of the qualification of bidders from the application of the regulations limiting the contract amount.
- Changing the licensing system for overseas building operations to a registration system, and lifting the limit to the contract amount.
- Integrating speciality construction under the categories of general and specialized building businesses.

**Measures pertaining to housing:**

- Simplifying the procedure for upgrading poor quality housing.
- Easing the qualifications and eligibility for moving into housing built for workers.
- Lifting the requirement for registration for producers of housing construction materials.
- Easing the restrictions on building or expanding parking facilities inside a housing complex.
- Lifting the standard requirement to build a kindergarten and similar facilities in a housing complex.

**Measures relating to city planning and other regulations:**

- Permitting those occupants who have already paid up the purchase price of their parceled-out lots in an industrial estate to exercise their property right on these lots.
- Upward readjustment of the building coverage ratio (from 20 percent to 40 percent) in the natural settlement inside a farming area located in a city planning district.
- Abolishing the system of levying an allotment on beneficiaries of river usage that duplicates the levy on development benefits.
- Easing the standard for building resting areas along highways and improving the method of determining special toll rates.
- Allowing existing home owners to remodel their homes or change the shape of their land inside the green belt designated under city planning.
- Changing the licensing system for the heavy equipment leasing and maintenance business to a notification system.

**Ministry of Health and Social Affairs**

**Measures pertaining to food and sanitation:**

- Gradual abolition of the item-by-item licensing system for food processors and producers of food additives.
- Drastic relaxation of the present irrational standards for facilities operated by food producers and processors and the catering business in a realistic way.
- Changing the licensing system for the operators of restaurants with a floor space of not exceeding 10 pyong to a report system.
- Easing the restrictions on the late night operation of resting and catering services that does not serve alcoholic beverages.

- Abolishing periodic on-site inspections of hotels, restaurants, and other service trade.
- Shifting the current system of requiring service business operators to obtain a permit when they want to change to another type of service trade to a report system.
- Newly instituting a penalty on service trade operators against whom punitive administrative action has been taken, on top of the closure order.
- Simplifying red tape and the inspection procedure for food imports.

**Measures pertaining to medical service:**

- Easing the current system requiring an advance approval for establishing or expanding general hospitals to an ex post facto report system.
- Transferring the jurisdiction over licensing health service corporations from the Ministry of Health and Social Affairs to city and provincial governments.
- Permitting herb doctors to use medical apparatuses for herbal treatment.
- Rational adjustment of the equipment and personnel standards for medical facilities by type.
- Easing the restrictions on advertisement by medical facilities.
- A drastic reduction in the range of medical apparatuses subject to government inspections.

**Measures pertaining to pharmaceuticals:**

- Gradual abolition of the standard retail price system for major medical supplies.
- Shifting the current licensing system for quasi medicines and hygienic supplies that pose no health problem to a report system.
- Abolishing the registration system for dealers in hygienic supplies.
- Abolishing the system of reporting the items of cosmetics sold.
- Abolishing the (minimum six-month) waiting period for reopening the pharmacy after a pharmacist had his license suspended.
- Lifting the restrictions on the area that a herb doctor can serve.

**Measures pertaining to public health:**

- Abolishing the system requiring the service trade to provide spittoons.
- Easing the employment restrictions on tuberculosis patients with no danger of spreading his disease.
- Changing the compulsory AIDS testing for sailors serving ocean-going ships to a voluntary testing system.
- Easing the licensing standards for disinfection service against communicable diseases and shortening the training period required by workers in this service.

**Measures pertaining to people's lives:**

- Studying ways to abolish the licensing system for the business offering home rituals and gradually liberalizing the current system of fixing service fees by the government.



- Adjusting and complementing the legal ban on certain empty formalities and vanity in a realistic way.
- Removal of the encumbrances to the mortuary service, such as the requirement for hiring embalmers as a condition for operating a mortuary.
- Changing the licensing system for private charnel houses to a report system.
- Integrating the system of permitting the use of land as grave yards and that of permitting the destruction of forestry land for special use.
- Permitting non-judicial persons to establish and operate welfare facilities for the elderly and nurseries.

#### Ministry of Labor

Measures pertaining to labor-management consultation and the labor standards:

- Withholding the periodic 1993 inspection into the observance of the labor standards and instead introducing an occasional special inspection system.
- Drastic simplification of various reporting procedures pertaining to the operation of the labor-management consultative councils.
- Lifting the regulatory controls over the establishment of dormitories for workers.
- Easing the employers' various reporting and participatory duties.

Measures pertaining to industrial safety and job security:

- Downward adjustment of the number of industrial safety-related personnel required to hire.
- Easing the employers' burden and duties pertaining to environmental safety and safe working conditions.
- Abolishing the duty to report the substance of advertisement for the recruitment of employees, and as well as the requirement to obtain a permit to hire workers from areas where it is considered impracticable to commute between the factory and their places of residence.
- Enacting a basic law on the job placement service to secure a smooth supply of manpower.

Measures pertaining to vocational training and industrial accident insurance:

- Easing the regulations limiting the amount of money spent for vocational training in each category of employment.
- Lifting regional restrictions on commission-based vocational training.
- Reinstating the system of approval for the establishment of government-approved vocational training centers.
- Rational computation of the cost of vocational training so that the payment for the vocational training may be reduced.
- Drastic relaxation of the vocational training standards and the restrictions on training aids used.
- Transferring the management of the industrial accident insurance fund to a foundation in order to improve the payment procedure.

#### Ministry of Transportation

Measures pertaining to the road transport business:

- Delegating the right to set city bus and taxi fares to local government.
- Lifting the requirement for each trucking company to operate in specifically designated areas only.
- Lifting the requirement for each charter bus company and each funeral car operator to serve in specifically designated areas only.
- Lifting the ban on carrying mixed loads by trucking agents.
- Abolishing the system of setting standards for the supply of trucks.
- Allowing trucking firms transporting mixtures of small loads to participate in nationwide trucking service.
- Abolishing the system of dividing taxi operations into separate categories, and easing the regulations restricting the change of residence of individual proprietary taxi operators.
- Changing the licensing system for the automobile maintenance business to a registration system.

Measures pertaining to sea transportation, harbor management, and aeronautics:

- Gradually liberalizing the regulations restricting the service of each shipping company to specific areas and specific routes (offshore or ocean-going).
- Gradual shifting of the licensing system for harbor transportation service and ancillary businesses to a registration system.
- Abolishing the licensing system for maritime shipping companies in establishing overseas branches and lifting the restrictions on foreign investment in domestic transportation.
- Including air transport brokerage firms and air cargo agencies in the category of liberalized businesses.

Measures pertaining to tourism and railways:

- Abolishing the system requiring travel agencies to secure foreign exchanges.
- Shifting the licensing system for small railway transport service to a registration system, and the permit system for changing types of business to a report system.
- Abolishing the system requiring travel agents to register when they renew their qualification certificates, and lifting the restrictions on the qualifications of travel guides.

#### Ministry of Communications

Measures pertaining to electronic communications service:

- Permitting value-added communications service operators to provide audio and data mixed services and wireless data service, and simplifying their registration procedure.
- Eliminating the system of separating audio and data services of closed-circuit operators, and liberalizing the usage of closed circuits.



- Easing the licensing requirement for the installation of private-use telecommunications equipment and expanding the scope of its usage beyond its intended purposes.

Measures pertaining to radio waves:

- Simplifying the licensing procedure for the installation of small scale radio relaying stations, and eliminating the obligation of private broadcasting companies to install equipment necessary to transmit KBS programs.
- Permission to produce and market short-wave radios.
- Eliminating the licensing system for stations exclusively for receiving radio communications.
- Simplifying the licensing procedure for mobile ham operators.
- Allowing a vehicle-mounted mobile wireless station or a fixed station to offer services needed in daily life.

Measures pertaining to the production and distribution of information communications equipment:

- Exempting importers of communications equipment from obtaining an additional certification in importing another model of equipment that is similar to the one that was previously certified.
- Narrowing the range of items of electric communications equipment requiring a form certification, and simplifying the procedures for confirming that they meet the technical standards.

Measures pertaining to the system of utilizing electric communications:

- Drastic relaxation of the licensing standards for electric communications constructors, including the standards for their technical qualifications and the equipment they use.
- Exempting the installation of new telephone circuits from the application fees, and allowing a single contract to cover two telephones.
- Eliminating the standards for employing in-house switchboard operators, the requirement for reporting their hiring and firing, and the obligation to train them.

**Ministry of Science and Technology**

Measures pertaining to control of research activities of government- financed research organizations:

- Formulation and implementation of regulations providing for joint controls over the G-7 projects by integrating separate controls by different participating ministries and agencies.
- Eliminating the system of screening the purchase of laboratory equipment costing more than \$100,000 a piece financed by the government.

Measures pertaining to controls for the safety of radioactive isotopes:

- Easing the selection standards for persons responsible for safety supervision in organizations utilizing radioactive isotopes.
- Extending by one year the periodic cycle of inspection for organizations using radioactive isotopes.

- Extending the validity of inspection for transported radioactive materials from six months to one year.

Measures pertaining to support for the development of technologies:

- Inclusion of general technological research institutes run jointly by two or more corporations in the category of corporate-run research institutes eligible for financial support and tax benefits.
- Lifting the requirement for corporations to file a report with the Ministry of Science and Technology on the amount of reserves accumulated for the development of technologies.
- Easing the qualifications of research personnel when a corporation establishes an annex research center.

**\* Kim Yong-sam Purges Old DJP Faction**

932C0119A Seoul CHUGAN CHOSON in Korean 8  
Apr 93 pp 18-20

[By correspondent Kim Min-pae]

[Text] At 0900 on 26 March, two days after the "mad wind" of property disclosure swept the Democratic Liberal Party [DLP], members of the party executives meeting including Chairman Kim Chong-pil, party spokesman Kang Chae-sop, So Sang-mok, director of the Policy Research Section, and Kim Kil-hong, chief secretary for the chairman, were exchanging "pleasantries" prior to the start of the day's meeting in Chairman Kim's office on the sixth floor of the DLP headquarters in Youido. The chat, which lasted for two to three minutes, focused on the visit to the DLP headquarters the previous day by Charles T. Manatt, former National Committee chairman of the U.S. Democratic Party, who is now a member of the Clinton inner-circle staff, as the time for the meeting passed, Chairman Kim, still keeping up the conversation, repeatedly cast his eyes to the empty seats at the round table and to the clock on the wall alternately.

At the time, in the office of Secretary General Choe Hyong-u adjoining Chairman Kim's, a "real power" trio—Choe and First Minister of State Kim Tok-yong, and Basic Research Section Director Paek Nam-chi—were in a huddle, obviously on how to deal with matters relating to the property upheaval.

At three minutes after 0900, Kim Tok-yong proceeded to Chairman Kim's office, followed by Choe Hyong-u a few steps behind. Some 20 cameramen and TV crews ran after them. And as soon as the two took their seats, the meeting was called to order.

This sort of scene is a "new genre picture" of events in and around the government party these days. Officials cannot begin any meeting unless Secretary General Choe arrives. In case a prior coordinating is needed, Chairman Kim and the secretary general would closet themselves in a cubicle at a corner of the chairman's office for a separate conclave. The scene is a poignant reminder of



the shifting of power in the DLP. The picture has increased its clarity in the wake of the property disclosure storm.

On the other hand, legislators of the Democratic Justice Party [DJP] faction in the DLP—who had been the large stockholders of the “Sixth Republic first-term” government—are keeping mum, invariably. Among them are National Assembly Speaker Pak Chun-kyu, former Speaker Kim Chae-sun, and Yu Hak-song, chairman of the National Assembly Defense Committee. They are the “stars of the DJP faction” on the fall since people began pointing the finger at them as “moneygrubbing legislators.” Also included are Chong Ho-yong, Chong Tong-ho, Kim Mun-ki, Kim Yong-chin, and Nam Pyong-u, who are on the list of assemblymen to be asked to resign or to be given a warning. The situation brings home to the rest of DJP-faction legislators the message about the change of regime.

The disclosure storm that raged a month after the start of the Kim Yong-sam government is slowly winding down, leaving in its wake a big shifting of power, as a byproduct. This was done in no more than a week.

Legislators of the DJP and New Democratic Republican Party [NDRP] factions, who had been the “mainstream of power” from the Third through the Sixth Republic days, unanimously view the development as a power play based on an elaborate “scenario.” They insist that it represents an attempt of the DLP’s Reunification Democratic Party [RDP] faction—the core of the new government—to carry out a small political realignment by turning powerless the DJP and NDRP factions that had been in the center of power for 30-odd years from the Third through the Sixth Republic.

Their allegations have been brushed off by Chongwadae and the RDP faction, the prime mover of the DLP reform movement, as “preposterous.” A ranking Chongwadae official said: “Currently, the government is making a ‘moral revolution.’ It seeks to build a new Korea by removing all the old social evils, the inevitable results of the 30-odd years of authoritarian rule; any attempt to assign it a political interpretation is wrong.” In particular, leaders of the reform movement group unanimously denied, as a conjecture, the allegation that the property disclosure measure was based on a political realignment “scenario.” Judging from the Chongwadae and DLP attitude in moving to bring the furor under control at an early date, their story seems to have a convincing element in a way. A high DLP source said that “the disclosure action was aimed at giving the political circles a certain degree of shock for the sake of the practice of the ‘movement for clean upper-stream water’ led by President Kim.” “It was by no means intended for depriving some legislators of their seats in the National Assembly,” said he.

Nevertheless, the outcome “belied” what he said. The upheaval pushed into the shade the existence itself of the

DJP faction as a major group within the DLP. It effectively “disarmed” the power center of the past regime; in the process, even the influential figures who had been relying on the number of times they were elected were invariably made powerless. They of course included senior members of the faction who had retired from politics. Seemingly, there virtually is no place left in the party for the so-called ex-DJP elders like Kim Yun-hwan, Yi Han-tong, Yi Chun-ku, Kim Chong-ho and Kim Yong-kwi, not to mention the case of the NDRP faction, the third force in the party.

Whether or not it was intentional or based on a prepared scenario, the property disclosure storm has resulted in creating an environment in which a political realignment seems inevitable. An ex-DJP personality admitted that “this situation is bound to entail big substantial changes in the political leadership.” “However, inasmuch as the group leading the reform movement is, for now, a ‘minority’ within the party, it will need a ‘coalition’ to form a new political leadership if it is to establish itself,” he predicted.

The question is the timing. Opinion is divided over it, even within the political circles. However, largely indisputable is the view that the 15th general election to be held in 1996 will prove to be a critical turning point for a political realignment. According to this view, in the 1996 election, the “old generation” politicians who were the target of considerable moral controversies will probably drop out of the picture completely in the party’s endorsement process for candidates, even if they survived the upheaval this time. Circulating in some quarters are speculations that a sweeping shifting of politicians from one faction to another, comparable in scale to the realignments that marked the so-called upheaval eras in the nation’s political history since Liberation including ones triggered by the 16 May [1961] and the 26 October [1979] incidents, will take place. An interested DLP source said that “60% to 70% of the incumbents or more may perhaps be denied their endorsements by the party. Of course, observers have been saying for sometime already that the purge will be directed against “wealthy legislators” who provoked suspicions about their “morality”; corrupt former bureaucrats and military officials from the Third through the Sixth Republic eras, and elders unable to adapt themselves to the trend of the times. Rumors also have it that a political realignment may perhaps come unexpectedly sooner. Also circulating are the fiction-like speculations that an early realignment involving both the ruling and opposition camps across the party lines and dividing the field into two camps, conservative and progressive, is not impossible. But, in fact, their reliability is almost nil.

Then, will the political reform by the reformist force, called a “quiet revolution,” really succeed? While the new government is expected to push it with a “will,” some point out that it faces many difficulties, too.

One thing they agree on is that the nation’s “economic recovery” could prove to be a stumbling block. They



maintain that as seen in the cases of Russia's Gorbachev and Argentina's Alfonsin, reforms are bound to encounter considerable resistance unless backed up by domestic accomplishments, economic in particular. A DJP official said that "the current drive of the new government to expose corruption and irregularities and to establish state discipline draws categorical support from more than 70% of our people." "However, in case it fails to refloat the economy," he said, "their absolute support will come to naught."

Judging from his "style," President Kim Yong-sam, a master hand at politics, is set to press on forcefully with his political realignment plan. The course it takes will be noteworthy indeed.

**\* National Assembly Speaker Resigns From DLP**

932C0118A Seoul HANGYORE SINMUN in Korean 30 Mar 93 p 3

[Article by correspondent Pak Chan-su]

[Text] On the 29th of March, National Assembly Speaker Pak Chun-kyu made his final decision to resign from the Democratic Liberal Party (DLP).

This action signals his silent "banner of protest" against the Blue House and the DLP party leadership who had been demanding his resignation from the National Assembly feeling the pressure of public sentiment.

Still, there remained some hard questions yet to be answered as he declared that he would "confront the Blue House straight face-to-face" in his resignation statement. Nevertheless, it is clear that he, said it the least, ignored whatever hope of solution the party leadership might have had.

As an evidence for this, a member of the (Special Committee on Financial Disclosure and Review), immediately upon hearing the report of Speaker Pak's resignation from the party, said, "It never occurred to me that he would resign from the party. I thought he would tender his resignation from the assembly seat by tomorrow (the 30th of March) but..." showing his utter amazement.

In fact, that morning, at the time of Rep. Kim Chae-sun's announcement of his retirement from politics, the DLP officials were still optimistic that "Speaker Pak's resignation from the assembly seat would be in a matter of hours now that Rep. Kim had opened up the door."

This optimism was based on an estimation that there was no other way out for him than to resign the seat most expeditiously to defend his personal "honor" as his political career was virtually finished.

This estimation by the party leadership, however, was off the mark.

This means that the idea, held by the Blue House and the DLP leadership, that they could ride the waves of the

financial disclosure issue in an unruffled fashion by including the names of such senior political figures as Pak Chun-kyu and Kim Chae-sun in the list of resigning members of the National Assembly for the issue, suffered a significant setback.

It is generally believed that Speaker Pak strongly resented the party leaders strenuously demanding that he in effect end dishonorably his 30 year political career "not because of any clear evidence of wrong-doing" but of hearsays and he opted to take the course of resigning from the party as the result of a long and painful contemplation. This sentiment was clearly shown when the speaker told Rep. Kwon Hae-ok, chairman of the special committee, "I have not had any record of misconduct, hardly any at all, during all the years of my tenure as an eight-term member of the assembly," on the 27th of March when the latter visited him in his official residence.

It could also be observed in the same context why Speaker Pak said, in his March 29 resignation statement, that "he looked forward to hearing the comrade-in-arms direct and indirect opinions and the positive criticisms." This implies that it is the party who has to explain first why it pressured him to resign unconditionally from the assembly while he had nothing to hide and done nothing improper.

In the background of the speaker's resignation statement there is quite a significant resonance reflecting the surreptitious discontent of the many (Democratic Justice-Democratic Republican) coalition assemblymen who keenly observe the political waves created by the financial disclosure requirement. Rep. Kim Chae-sun openly displayed it when he quoted the old saying of a wise man: A hunter takes his hound, who had caught game for him all day, just as for another game piece at the end of the day and destroys him just like all other games.

It is not too hard to understand how strongly Speaker Pak would have felt along the same line of thought as he confronted the current political wave being addressed for a solution.

Although it is unclear, at the moment, as to what future course of actions Speaker Pak might take now that he has resigned from the DLP, it is generally believed that he would avoid continued direct confrontational approach toward the party leadership.

The prevalent observation is that the speaker, come April, might just retire from politics after pronouncing his positions publicly on the floor of the assembly which is to convene its emergency session in April, for his political life as a representative of an electoral district has already suffered a fatal blow.

Reinforcing this view is what one of the DLP officials said the subject, "It seems to me that Speaker Pak has taken 'the best possible option' available, defending his honor and, at the same time, accommodating the wishes of the party."



## Burma

### Delegation Visits PRC for Talks on Health Issues

*BK0405030093 Rangoon Radio Burma in Burmese  
1330 GMT 3 May 93*

[Text] A Myanmar [Burmese] delegation led by Colonel Than Zin, deputy minister of health of the Union of Myanmar, paid a goodwill visit to the People's Republic of China from 19 to 27 April.

During its visit in the PRC, the Myanmar delegation called on Professor Hu Ximing, vice minister of public health, at 0900 on 21 April and held talks on bilateral health matters.

It was learned that the need for contact between the two countries on health matters and the implementation of a bilateral health agreement signed during the visit to Myanmar by the PRC vice minister of public health minister were discussed.

### Minister Urges Purchase of Paddy at Market Price

*BK2304110593 Rangoon Burma Television Network in Burmese 1300 GMT 22 Apr 93*

[Excerpts] Agriculture Minister Lieutenant General Myint Aung, accompanied by responsible personnel from the Ministry of Agriculture, arrived in Pegu at 0800 today. The minister met with division-, district-, and township-level departmental personnel under the Ministry of Agriculture from Pegu Division at the Thri Hantha Hall and delivered an address. [passage omitted]

Continuing, he said in that cultivating paddy, the most suitable species [of paddy] needs to be chosen and that there must be good plowable land. He added that the right techniques must also be used after considering water, land, and weather conditions. He said that the most suitable areas in the division will be designated as high-level paddy cultivation and production zones and that cultivation will be carried out starting this monsoon. To carry this out, farmers have to be organized; there must be assistance on species, techniques, [word indistinct], land treatment, and the water supply; and also a system for buying paddy at market prices. [passage omitted]

### Official Calls For Solution to High Rice Prices

*BK2304134593 Rangoon Burma Television Network in Burmese 1330 GMT 23 Apr 93*

[Excerpts] Lieutenant General Myo Nyunt, chairman of the Yangon [Rangoon] Division Law and Order Restoration Council and commander, met with members of law and order restoration councils, peasants, rice mill owners, and departmental personnel from Southern Yangon District in the hall of the No. 1 Technical High School in Kyauktan at 1345 today.

Speaking at the meeting, Lt. Gen. Myo Nyunt explained that the main reason for holding a meeting with peasants, service personnel, and rice mill owners is to help solve a problem likely to emerge among peasants, rice mill owners, and the poor who are daily wage earners. He referred to the rice problem as the main problem affecting everyone, including poor people. He urged those present at the meeting to help solve this manmade problem through joint efforts.

Lt. Gen. Myo Nyunt then explained the five ways of solving problems contained in the Maha Zanaka Jataka [stories about the previous lives of the Buddha] which was taught in schools when they were young: 1) a solution through mantra [chanting of prayers]; 2) a solution through consultation with experts; 3) a solution through sweet words; 4) a solution through giving gifts; 5) a solution through relatives. He said the problem should be resolved through experts and sweet words. He referred to peasants as experts who are well versed in agricultural technology and rice mill owners as experts who know about milling and distribution. [passage omitted]

Citing teachings from the Lokaniti [ancient proverbs and maxims on conduct] on good conduct, Lt. Gen. Myo Nyunt said that peasants, rice mill owners and traders should seek refuge in the Lord Buddha, his teachings, and the Sangha [members of Buddhist order] and regard greed, anger, and delusion as their enemy. If peasants, traders, government, and Sangha can extinguish the fire of greed and stay united, the poor, who rely on their daily wages for their livelihood, will be free from the danger of increasing rice prices and will enjoy happiness and prosperity. [passage omitted]

He said that he would like to urge peasants and traders who own mills to consider how happy the poor will be if they sell their rice without making huge profits by selling it at harvest time rates, after making provisions for waste. He said that many complaints about bribery and corruption are being heard but that no details have been provided, and so the responsible authorities are unable to take action. Therefore, he said, no effective action will be taken against those who offer bribes, but action will be taken against those who accept them.

Lt. Gen. Myo Nyunt said while he has the opportunity, he would like to publicize a report in connection with the high price of rice. He said that two big rice shops have been reported to be predicting in recent days that rice prices would be stable when the summer rice enters the market. However, if it does not, rice prices will rise at the start of monsoon season in July and August. He said in response to the tune of the traders, some professional politicians, who are like a rejected stage actor wanting to smash the main drum of the orchestra, and those who do not want the national convention to be successful, are saying that the second [1988 disturbances is the first major movement] major movement should be launched.



He said he would like to categorically inform service personnel that they should not create conditions similar to those of the 1988 events so that action against bribe takers is not preempted. [passage omitted]

Next, the workers at the meeting said while they appreciate the increase in monthly salaries granted by the state, the huge gap remains at present between the salary and high prices. They said that if the traders reduce prices as an act of merit as soon as possible, they will receive the blessings from human and celestial beings.

In their discussions, the peasants pointed out that the planting of monsoon and summer paddy is beneficial, but they would like to have more assistance from the state.

In his concluding speech, Lt. Gen. Myo Nyunt expressed his appreciation for the discussions which have provided him with new information, and he said that the submissions are well understood. He said it is important for every person to work. [passage omitted]

Referring to the lack of contentment, he said that greed does not result in any positive effect in the present and future and that it should be avoided. He urged people of all religious denominations to implement the two solutions suggested today, that of solving the rice problem through experts and sweet words. He said he concluded his speech with metta [loving kindness] and asked that all be free from deceit and condescension.

The meeting ended at 1515, and the commander left Syriam for Yangon.

#### **Sentences of Three Detainees Commuted**

*BK0105074693 Rangoon Radio Burma in Burmese  
1330 GMT 30 Apr 93*

[Text] It has been learned that two male and one female detainees, against whom action was taken under existing laws and who were serving their sentences, have been released today from the Insein Central Jail and the Thayawaddy Jail after their remaining sentences were commuted according to Declaration No 11/92 of the State Law and Order Restoration Council.

### **Brunei, Malaysia & Singapore**

#### **Malaysia**

#### **Libyan Official Visits for Talks on Investment**

*BK0405145793 Kuala Lumpur Radio Malaysia  
Network in Malay 1300 GMT 4 May 93*

[Text] Libya is enthusiastic about investing in Malaysia and is considering suitable ways and types of investment to enhance cooperation between businessmen of the two countries. Libya is also enthusiastic about studying Malaysia's ways of attracting foreign investments because it is interested in sending many of its investors into the country. Acting Foreign Minister Datuk Abu

Hassan Omar said this to newsmen in Kuala Lumpur following a visit by Libyan Foreign Minister [title as heard] Mr. 'Umar Mustafa al-Muntasir.

Mr. 'Umar and his delegation are on a four-day official visit to Malaysia, the main purposes of which are to learn more deeply about Malaysia and to discuss the best way to further strengthen bilateral relations.

### **Singapore**

#### **Goh Supports Japan's Bid To Join UN Security Council**

*OW0405123593 Tokyo KYODO in English 1215 GMT  
4 May 93*

[By Siti Rahilby]

[Text] Singapore, May 4 KYODO—Singaporean Prime Minister Goh Chok Tong expressed support Tuesday [4 May] for Japan's plan to become a permanent member of the United Nations Security Council. "If the UN decides to restructure the Security Council and also to take in new members, I would regard Japan as a prime candidate," Goh said in an interview with Japanese journalists ahead of his visit to Japan next week.

"[Words indistinct] interest is understandable," he said in the interview at his office. Goh added that Japan can keep the region stable by playing an active role in international bodies such as the UN and in any multi-lateral security forums that may be created for the region in future. Japan, along with Germany, and most recently Indonesia, has expressed interest in joining the Security Council as a permanent member. Currently the Council has only five permanent, veto-holding members—Britain, China, France, Britain, Russia and the United States. [sentence as received]

Goh, expressing concern that Japanese investment in Southeast Asia might be diverted to newly developing countries like China and Vietnam, said he will seek assurance from Japanese leaders that Japan will not neglect the region when he visits Japan from May 9 to 14. Goh's trip to Japan will be his first visit since taking over the premiership from Lee Kwan Yew in November 1990. Goh also said Singapore would seriously consider joining the North American Free Trade Agreement (NAFTA) if it is expanded to include some Asian countries. "If our markets meet the American expectation of openness, and NAFTA invites us to join, Singapore would consider seriously," he said. "It is in Singapore's interest to be able to sell to the North American free trade area."

U.S. officials under the administration of former President George Bush had said the United States planned to bring some Asian countries with good trading records into NAFTA, a giant trading bloc linking the U.S., Canada and Mexico.



Asked for his view on the idea of an East Asian Economic Caucus (EAEC), Goh, who will be visiting Japan at the invitation of Japanese Prime Minister Kiichi Miyazawa, said he will not raise the issue of the EAEC, but will support it if Japanese leaders broach the subject. Comparing NAFTA and the EAEC scheme, he said the EAEC is simply "a useful forum for us to express our views, for us to ensure that in unity we have strength in negotiating with others to keep our markets open." The EAEC, proposed by Malaysia in 1990, was strongly opposed by the U.S. and elicited only a cool response from Tokyo, but recently South Korea has come out in open support while the U.S. appears to have toned down its opposition. Goh said he will discuss new areas of bilateral cooperation with Japan during his meeting with the Japanese leader, apparently referring to a proposed dialogue between the two countries on high technology development.

#### **Navy Chief: Possible Spratlys Conflict 'Worrisome'**

BK0505110493 Singapore *THE STRAITS TIMES* in English 5 May 93 p 2

[Text] Singapore—The potential for conflict in the Spratlys is "worrisome", said Singapore's Chief of Navy.

Colonel Kwek Siew Jin was responding to a question by *THE STRAITS TIMES* on the potential for armed conflict in the disputed islands, which straddle trade routes and are believed to have oil and natural gas deposits.

The island located in the South China Sea, have six regional claimants, all of whom have stationed troops on the islands.

"Although we would not be directly involved, armed conflict in that area would be detrimental to the peace and security of the region. It would also affect greatly the safety of ships plying the trade routes which pass through that area.

"We hope that whatever problems that may arise would be solved amicably over negotiating table, so that there will not be a need to resort to arms..."

What will be the Navy's response in the eventuality of armed conflict breaking out in the islands? He said "In the event that our merchant ships are endangered or hampered in carrying out their normal activities, it is not inconceivable that the Navy would have to provide them with limited protection.

"We can provide them some form of escort, more to deter people from harassing them, rather than to engage in combat."

### **Cambodia**

#### **Khieu Samphan Supports Beijing SNC Meeting**

BK0505024293 (Clandestine) *Voice of the Great National Union Front of Cambodia* in Cambodian 2330 GMT 4 May 93

[Message from Khieu Samphan, chairman of the Party of Democratic Kampuchea to Prince Norodom Sihanouk; dated 2 May; place not given—read by announcer]

[Text] To His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC]

Respected Prince: May I be allowed to express the Party of Democratic Kampuchea's [PDK] view concerning the proposal for a meeting of representatives from each Cambodian party with His Excellency Akashi on 5 or 6 May 1993 in Beijing.

1. The stance of the PDK is as expressed in my 15 April message.

2. The PDK is happy for a meeting under any form aimed at restoring Cambodia's peace, independence, territorial integrity, and national reconciliation in accordance with the essence and spirit of the 23 October 1991 Paris agreement, particularly with the focus on the discussion and implementation of the three key points of the Paris agreement.

3. If UNTAC [UN Transitional Authority in Cambodia] and some other parties think that they cannot go back to implementing the Paris agreement because they have already embarked on the wrong path, I suggest that everyone discuss the prince's 1 March national reconciliation plan.

4. It is very necessary to clearly specify the agenda of the meeting in accordance with the above points because over the past 17 months, SNC meetings or meetings at this or that level with UNTAC had been used to serve other purposes of killing the Cambodian nation and people. The Cambodian nation and people oppose such a process.

I ask that the prince and the royal consort accept from me sentiments of most profound respect and affection.

[Dated] 2 May

[Signed] Khieu Samphan, PDK chairman

#### **Sihanouk Urges Observance of Nonviolence**

BK0405122693 *Phnom Penh Samleng Pracheachon Kampuchea Radio Network* in Cambodian 1100 GMT 4 May 93

["Message from His Royal Highness Prince Norodom Sihanouk of Cambodia to the Armed Cambodian Factions," issued in Beijing on 1 May—read by announcer]



[Text] Dear compatriots: For the sake of our sacred motherland and our beloved people's survival and for the preservation of our national honor, I, Samdech Euv [prince father] and Samdech Ta [prince grandfather], Norodom Sihanouk, wish to again call on all armed compatriots to abide by the following three points:

1. Immediately and definitely implement a full-scale cease-fire across Cambodia at all costs.

2. Renounce all manner of violence; put a halt to the violation of human rights; definitively discard all actions that affect freedom, security, lives, and (?honor) of all groups of nationals living in Cambodia, especially UNTAC [UN Transitional Authority in Cambodia] civilian and military staff members and other foreign nationals as well as our compatriots. As for the issue of the ethnic Vietnamese, we should resolve it through peaceful means, meaning a new government elected via the UNTAC-organized elections in May 1993. We will settle this problem completely through friendly negotiations with the SRV Government.

3. Fully respect big and small points of the orders announced by UNTAC. During the election campaign, respect should be ensured for every political party without distinction, for all the male and female Cambodian citizens, for the free and fair conditions of the upcoming elections, and for the confidentiality of the ballots, meaning the voters' confidentiality in choosing a candidate in the polls.

I would like to profoundly thank compatriots in advance.

Compatriots, please, accept my affectionate and sincere regards.

[Dated] Beijing, 1 May  
[Signed] Norodom Sihanouk

#### **Renews Call for Cease-Fire, Talks**

*HK0405122293 Hong Kong AFP in English 1210 GMT 4 May 93*

[Text] Beijing, May 4 (AFP)—Prince Norodom Sihanouk on Tuesday renewed an urgent call for an immediate cease-fire in Cambodia and asked all warring factions to accept his invitation to talks in the Chinese capital.

"Certain armed compatriots continue to make war in which the main victims are our innocent civilian compatriots," the prince said in a statement. "Today I launch a new paternal appeal to warring compatriots and practitioners of violence to cease all acts of war, violence, violations of human rights (and) the destruction of the property," he said.

The prince, who is in Beijing for medical treatment, issued the message a day after an attack by the Khmer Rouge faction left 19 people dead in the northern town of Siem Reap, home of the Angkor Wat temple complex.

The bloodshed continued Tuesday when a Japanese policeman serving with the United Nations peacekeeping operation died after an ambush by suspected Khmer Rouge guerrillas, said a Japanese embassy official in Phnom Penh.

Up to nine people were believed to have been wounded in the midday ambush in northwestern Cambodia, including five Dutch marines, U.N. officials added.

"Our Kampuchea will not survive unless my armed compatriots accept reconciliation and make a complete peace among themselves," Prince Sihanouk said. "The problems that divide them at the present hour can and must be resolved by peaceful means."

"They must accept and send to me competent representatives to try to find, together and with my help, good solutions to these problems."

Prince Sihanouk on Saturday asked the country's four factions to send representatives to Beijing for a two-day meeting starting Wednesday. The Cambodian Embassy in Beijing, which is controlled by the Khmer Rouge, said the talks were scheduled for Thursday. Officials at the prince's residence could not be reached for comment.

The Khmer Rouge has accepted the invitation, but it was not known if the Phnom Penh government would send a representative after it said last week that any future talks should be held in the Cambodian capital.

The prince has said his doctors have asked him to take one month of rest, indicating that he may not be able to return to Cambodia for U.N.-sponsored elections scheduled for May 23-27.

#### **AFP Details Attack on U.N. Peacekeepers**

*BK0405143093 Hong Kong AFP in English 1412 GMT 4 May 93*

[Excerpt] Phnom Penh, May 4 (AFP)—A Japanese policeman with the United Nations peacekeeping mission in Cambodia was killed and three wounded along with five Dutch marines Tuesday when suspected Khmer Rouge guerrillas attacked their convoy with rockets and assault rifles in northwest Cambodia, U.N. and Japanese officials said.

"It has been established this was a deliberate attack against UNTAC," U.N. Transitional Authority in Cambodia Spokesman Eric Falt said.

Inspector Haruyuki Takata, 33, was killed on the spot, Falt said, but a Japanese Embassy official in Bangkok said two other Japanese were conscious after treatment for wounds in the Royal Thai Air Force hospital where they had been taken by helicopter along with four of the marines.

There was no immediate word on the condition of Dutch in Bangkok.



Two U.N. electoral workers from Norway and several Indian mine clearers were in the convoy but escaped uninjured, Falt said.

Takada's death was the first fatality among Japanese security forces serving in Cambodia, and it was certain to bring pressure on Tokyo to review its peacekeeping role in the country.

The midday attack near Ampil in the resistance zone near the Thai border—which is controlled politically by the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party but militarily by the Khmer Rouge—occurred as the armed Dutch soldiers were leading a convoy of six vehicles, Falt said.

"A group of unidentified armed men fired a B-40 (rocket) round on the lead vehicle before opening fire on the convoy with (automatic weapons)," he said.

U.N. officials said the Khmer Rouge were suspected of the attack, and Falt compared it with an ambush Monday blamed on the Khmer Rouge in eastern Kompong Cham province which left five Indian peacekeepers injured.

The two electoral workers who were at the end of the convoy were able to escape unharmed and fled to the Thai border, Falt said. The Indian deminers were also uninjured.

The Japanese taken to Bangkok were identified as Lieutenant Eizaburo Taniguchi, 32, and Inspector Kazuharu Yagi, 37 this month. The embassy official concerned with their case replied "probably" when asked if they were out of danger.

In all, 56 U.N. peacekeepers have been killed or injured in hostile action in recent months. Cambodians go to the polls in less than three weeks in U.N.-organised elections which are strongly opposed by the Khmer Rouge.

UNTAC chief Yasushi Akashi, also a Japanese, issued his condolences from Beijing, where he went to have talks with Cambodian leader Prince Norodom Sihanouk.

"It is a matter of grave concern to me and I will discuss the matter tomorrow with Prince Sihanouk," the Akashi statement said.

A Japanese electoral worker was shot dead last month in an incident at first thought to be the work of the Khmer Rouge, but the U.N. said later it was a grudge killing.

(In Tokyo Keijiro Murata, Home Affairs Minister and chairman of the National Public Safety Commission, described the incident as "really regrettable.")

(Following the news, the Japanese Government established a special team to promote the safety of Japanese nationals engaged in peace activities in Cambodia, official sources said.

(A high-ranking official of Japan's National Police Agency told reporters that the agency would ask UNTAC to take stricter safety measures.

(Japan's Chief Cabinet Secretary Yohei Kono rushed back to Tokyo from a domestic resort following the incident, which came as most of Japan was on a week-long holiday.) [passage omitted]

### KYODO Reports 3 Dead, 2 Injured

OW0405123393 Tokyo KYODO in English 1223 GMT 4 May 93

[Text] Tokyo, May 4 KYODO—At least three Japanese police officers were killed and two others were wounded in a guerrilla ambush Tuesday in northwest Cambodia, the prime minister's office said Tuesday night.

Sources within the United Nations Transitional Authority in Cambodia (UNTAC) said that Haruyuki Takada of the Okayama Prefectural Police Headquarters was killed when a convoy he was in was attacked by guerrillas near Ampil along Cambodia's northwestern border with Thailand. Eizaburo Taniguchi, a police sergeant at the Ishikawa Prefectural Police Headquarters, and Kazuharu Yagi, an assistant police inspector in Miyagi Prefecture, were seriously wounded in the attack and airlifted to a hospital in Bangkok. The two later died, the prime minister's office said. Two others—Hiroshi Kawanobe and Nobuaki Suzuki, both with the Kanagawa Prefectural Police—suffered minor injuries.

All the Japanese policemen were members of the Japanese peacekeeping mission in Cambodia. Atsuhito Nakata, a Japanese UN volunteer helping with preparations for this month's general elections, was murdered April 8.

The National Police Agency in Tokyo and an UNTAC spokesman in Cambodia officially confirmed the deaths of the three Japanese police officers.

Officials said Prime Minister Kiichi Miyazawa was cutting short his "Golden Week" vacation at the resort town of Karuizawa in Nagano Prefecture to return to Tokyo and follow developments in Cambodia. His chief spokesman, Chief Cabinet Secretary Yohei Kono, who was also in Karuizawa, left the resort town earlier to hold an impromptu news conference in Tokyo.

Meanwhile, the National Police Agency said it is setting up a special task force to keep abreast of the latest attack on Japanese peacekeepers in Cambodia.

Kono told reporters upon arrival at Ueno station in Tokyo from Karuizawa, "it's very deplorable."

Japan Broadcasting Corp. (NHK) said Foreign Minister Kabun Muto, who is presently in Mexico City, may cut short his Latin American trip.



Justice Minister Masaharu Gotoda, who is in Beijing for talks with Chinese leaders, issued a statement expressing his condolences to the families of the murdered Japanese policemen.

#### **Japanese Volunteers Quit**

*OW0505031193 Tokyo KYODO in English 0240 GMT  
5 May 93*

[Text] Phnom Penh, May 5 KYODO—Three of the 27 Japanese volunteer workers helping the United Nations Transitional Authority in Cambodia (UNTAC) prepare for elections have resigned since a colleague was shot dead last month, volunteers said Wednesday.

The three, who were working at election offices in Kompong Cham, Siem Reap and Phnom Penh, did not renew their contracts as U.N. volunteers when they expired in late April and early May because of the increased risk of working there, they said.

"I wanted to see it through to the election results. But I judged it impossible to continue working in such a risky situation," a 61-year-old volunteer who quit the U.N. office in Kompong Cham said.

The volunteers were shocked by the killing of Atsuhito Nakata, 25, they said. Nakata, a civilian supervising a district election team, was murdered by an unidentified gunman on April 8 in the central Cambodian province of Kompong Thom.

The May 23-28 elections for a constituent assembly were agreed under the 1991 Paris peace accord that ended a 13-year civil war in Cambodia.

On Tuesday [4 May], a Japanese civilian policeman was killed and four other Japanese policemen were injured in an ambush by an unidentified armed group in northwest Cambodia. Japan sent 75 policemen to help UNTAC last October for a nine-month stay.

#### **UN Chinese Engineer Battalion Shelled in Kompong Thom**

*BK0505044893 Hong Kong AFP in English 0437 GMT  
5 May 93*

[Text] Phnom Penh, May 5 (AFP)—Suspected Khmer Rouge guerrillas shelled the U.N. Chinese engineering battalion base in the city of Kompong Thom overnight, damaging at least one building, a U.N. spokesman said Wednesday.

The Chinese fled to their underground bunkers and returned fire, U.N. military spokesman Lieutenant Colonel Dick Palk said.

It was not immediately known if there were any U.N. casualties.

The attackers fired mortar and artillery rounds, Palk said, adding that the Chinese fired back with automatic weapons.

The Chinese engineering battalion of 400 men is in Cambodia as part of the U.N. peacekeeping mission to repair roads and bridges, several of which have been blown up by the Khmer Rouge after being repaired by the Chinese.

#### **UNTAC Raises Alert Status**

*BK0505075093 Hong Kong AFP in English 0739 GMT  
5 May 93*

[By Sheri Prasso]

[Text] Phnom Penh, May 5 (AFP)—Khmer Rouge guerrillas attacked the U.N. Chinese engineering battalion base in the central province of Kompong Thom overnight, damaging two buildings but causing no casualties, U.N. officials said Wednesday.

Ironically, the faction used weapons furnished by the Chinese government during Cambodia's civil war to shell, mortar and shoot at the U.N. compound of Chinese peacekeepers located between the provincial airport and the city center.

The attack was the fourth guerrilla attack against U.N. positions this week, but the U.N. spokesman declared that elections scheduled for May 23-28 would go on.

"At this stage we're still preparing the election. The date has not changed. Nothing much has changed," spokesman Eric Falt said.

But the attack prompted the U.N. Transitional Authority in Cambodia (UNTAC) sector commander in Kompong Thom to request a third-level stage of alert in a province where civilian electoral officials have already been recalled due to increasing dangers.

The heightened alert status means all U.N. personnel must group in one armed compound "so as to be able to protect themselves" in case of attack, Falt said.

U.N. personnel in the entire country were placed on level-one alert Monday following a six-hour battle in northwestern Siem Reap, where the Khmer Rouge rampaged through the city and momentarily captured the airport used by thousands of tourists visiting Angkor Wat each year.

UNTAC force commander Lieutenant General John Sanderson said the United Nations was discussing the ramifications of continued Khmer Rouge attacks on U.N. personnel, but reiterated that there are no plans to call off the election.

"This means at this point they (the Khmer Rouge) are definitely going to stop the elections in some areas they control. We're still working on the assumption that the vast majority of the Cambodian population can get to a polling station," Sanderson told AFP.

He said UNTAC believed the Khmer Rouge carried out an attack Tuesday against an armed U.N. convoy that



killed one Japanese policeman, injured three others, and wounded five Dutch marines.

In the Kompong Thom attack which lasted for two hours in the late evening, the Chinese fled to their underground bunkers and returned fire with automatic weapons before being evacuated to the sector headquarters.

The Chinese engineers share a base with the Polish logistics company which was also hit during the attack.

The Polish logistics camp in Siem Reap was also attacked on Monday, and Poles returned several thousand rounds of fire.

The Chinese engineering battalion of 400 men is in Cambodia as part of the U.N. peacekeeping mission to repair roads and bridges, several of which have been blown up twice by the Khmer Rouge after being repaired by the Chinese.

Beijing has recently distanced itself from the Khmer Rouge over its blocking of the 1991 Paris peace accords formally ending the civil war and its decision to boycott the U.N. elections.

In a clandestine Khmer Rouge radio broadcast Wednesday, a statement by nominal leader Khieu Samphan read in English called the elections "ridiculous and dangerous."

Khieu Samphan's statement said the faction wanted the "true" implementation of the peace accords, and said U.N. elections would only rubber-stamp what it calls the Vietnamese occupation of Cambodia.

The Khmer Rouge say they believe Vietnamese troops still occupy Cambodia, and that UNTAC is helping to keep them in power through an election that will give them international recognition.

### **Flights From Siem Reap Canceled; Tourists Stranded**

*BK0405121493 Hong Kong AFP in English 1149 GMT 4 May 93*

[By Sheri Prasso]

[Excerpt] Phnom Penh, May 5 (AFP)—Dozens of tourists trying to flee the city of Siem Reap following an attack by the Khmer Rouge were still stranded there late Tuesday after only one commercial flight left the airport.

A Kampuchea Airlines official said the afternoon flight and all future flights were being cancelled for security reasons. No more tickets were being sold and ticket holders would be refunded, he said.

"Some tourists were left behind at the airport because we could not carry them all. They tried to get on, but we did not allow it because it is impossible," said pilot Mok Sam-Ol who flew the morning plane out with a full load of 64 people aboard.

Tourists and United Nations personnel had headed for the airport fearing that Monday's pre-dawn attack by up to 300 Khmer Rouge would happen again. [passage omitted]

### **Radio VGNUFC: People in Kandal Revolt 29 Apr**

*BK0505024693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 May 93*

[Excerpt] According to reports from Muk Kampul District in Kandal Province, on 29 April, between 300 and 400 people in Svay Rumpea commune, in collaboration with local militiamen, revolted and attacked the command post of a regiment of Vietnam and its puppets in Svay Rumpea village, Svay Rumpea commune, in Muk Kampul District, Kandal Province.

The reports further say that the people and village militiamen killed three puppet regiment officers, a Vietnamese expert, and 16 guards; 109 assorted weapons were seized, including (?eight) AK's. The reports say that the people and village militiamen distributed these 109 weapons to their village and commune armed forces to further enhance their forces' capability in fighting the Vietnamese enemy aggressors and the puppets, traitors to the nation, until chasing all of them out of Muk Kampul District, and also to contribute to the complete liberation of the nation and the people from the Vietnamese aggressors. [passage omitted]

### **Khmer Rouge Intensify Activities in Kompong Cham**

*BK0205082293 Phnom Penh SPK in French 0400 GMT 2 May 93*

[Text] Phnom Penh 2 May (SPK)—In the second half of April, the Khmer Rouge intensified their military activities in a number of localities in Kompong Cham Province aimed at sabotaging the electoral process.

On 21 April in Stoeng Trang District, 30 Polpotists attacked Pean Prasnar commune on coordinates 59/73.9, setting ablaze two police posts and a building office of the Cambodian People's Party. They also took away an AK rifle, a radio set, and 30,000 riels.

On 22 April, Khmer Rouge elements from Division 417 shipped 15 cartloads of artillery shells [words indistinct] to Trapeang Preah commune in Prey Chhor District. And on 23 April, about 70 Khmer Rouge rebels were deployed in the same district in an attempt to launch an attack.

On 24 April, a group of some 20 Polpotist soldiers attacked a unit of the government forces stationed along National Route 7, wounding a person.

At 1600 on 22 April in Batheay District, 15 Polpotists from Division 785 opened fire on two passenger cars and stopped an UNTAC [UN Transitional Authority in Cambodia] vehicle on a patrol mission along National



Route 6 on coordinates 13/88. They robbed the UNTAC personnel of four walkie-talkies and the passengers of a quantity of belongings.

At 1000 on 25 April, 15 Khmer Rouge rebels from Division 417 fired two DK-83 rounds on Chamka Leu District on coordinates 67/32.9. And at 1015 on the same day, a group of attackers raided a position of the government troops on coordinates 64/03.1.

And at 1500 on 24 April, seven Khmer Rouge soldiers stopped and seized an UNTAC vehicle in Memot District on coordinates 13/43.

#### **Khmer Rouge Troop Movement in Preah Vihear Reported**

*BK0505071893 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 1200 GMT  
4 May 93*

[Text] Khmer Rouge rebels and bandits, with the collaboration of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, perative Cambodia], recently gathered troops in [words indistinct] (?Kulen) and (Sangkum Thmei) Districts of Preah Vihear Province.

The sources specified that the aim of this gathering of troops is to launch attacks to violate and seize various positions of the State of Cambodia [SOC] army [passage indistinct] led by [words indistinct], officer in Division 116 of the Pol Pot genocidal rebels.

#### **Khmer Rouge Guerrillas Attack Pursat Village**

*BK0505072093 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 1200 GMT  
4 May 93*

[Text] According to reports from sources [words indistinct] of the Cambodian People's Armed Forces [CPAF], on 23 April, about 50 Khmer Rouge-Pol Pot rebel troops from Division 36 attacked Boeng Khna market, Boeng Khna commune in Pursat Province's Bakan District.

Following is the the result of the attack: one person was wounded; (?five) people's houses were burned; 745,000 riel and five tape recorders belonging to the people were taken away [passage indistinct]. On 18 April, (Kim Bok), commander of the Regiment 980 of the Khmer Rouge's Division 912, returned to live with the people and our State of Cambodia's state authority in Boeng Khna, Bakan District, Pursat Province. (Kim Bok) talked about the maneuvers and genocidal activities of Khmer Rouge-Pol Pot rebels and the Khmer Rouge's allies; these people are still trying to hinder the peace process in Cambodia by attempting to seize power through war and to bring back genocide.

#### **'Savage' Khmer Rouge Military Activities Reported**

*BK0505092793 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 1200 GMT  
4 May 93*

[Text] According to reports recently received from the Defense Ministry's Commission for Military Coordination with the United Nations, on 28 and 30 April, Khmer Rouge rebels launched savage military attacks against the people and Army of the State of Cambodia [SOC] in a number of localities in Battambang, Kompong Thom, and Kandal Provinces.

The sources specified that during three days, from 28 to 30 April, Khmer Rouge-Pol Pot rebels used between 50 and 90 infantry troops in three large-scale brutal attacks. One attack was against MOUNG RUSSEI District seat in Battambang Province; one was against (?Roluos) village in Kompong Thom Province; and one against Svay Ampea in Muk Kampul District, Kandal Province. The results of these attacks are as follows: Two of our soldiers were killed and another wounded; two people were killed and four others wounded; two soldiers were taken away; a soldier was wounded; 30 weapons were lost; and a large quantity of personal property was damaged.

In these three brutal attacks, the sources also specified that at 0000 on 30 April, Pol Pot-Khmer Rouge rebels launched a serious attack against our people [words indistinct] in Srayov Commune, Kompong Svay District, Kompong Thom Province, killing an innocent person and wounding four others. The following property was damaged or lost: 27 houses, 20 paddy warehouses, a rice mill, a generator, a video machine, (?15) cows, two buffaloes, [words indistinct], five pigs, and [words indistinct].

In Battambang Province, on 28 April at 2300, between 60 and 90 Khmer Rouge-Pol Pot rebels from Division 36 launched a two-pronged attack against MOUNG RUSSEI District seat of Battambang Province. Two people's policemen were killed [words indistinct], a villager was killed; two soldiers were abducted; a lot of our people's property [words indistinct].

Also on 28 April, at 1300, about 50 Khmer Rouge-Pol Pot troops from Regiments 550 and 560, attacked Svay Ampea market in Muk Kampul District, Kandal Province, wounding two people's soldiers and policemen; 40 weapons were lost; a commune office was burned; 1,000 kilograms of rice were burned or taken away and so were 600,000 riel, a motorcycle, a tape recorder, a damloeng [equivalent to 37.5 grams] of gold, and a quantity of material.

#### **SPK Reports 29 Apr SNC Session in Phnom Penh**

*BK3004061293 Phnom Penh SPK in French 0433 GMT  
30 Apr 93*

[Text] Phnom Penh 30 Apr (SPK)—The Cambodian Supreme National Council [SNC] held a meeting in Phnom Penh on Thursday under the chairmanship of the



chief of the UN Transitional Authority in Cambodia (UNTAC), Yasushi Akashi, a Japanese.

The meeting, held at UNTAC headquarters without the participation of Khmer Rouge representatives, discussed matters relating to aspects of the election campaign and the election of a constituent assembly [words indistinct].

According to Cambodian sources, the representatives of the five permanent members of the UN Security Council and of Indonesia, cochairman of the Paris International Conference on Cambodia, met on Wednesday in Phnom Penh to "adopt a common stance" among the major powers on the settlement of the Cambodian problem.

The election campaign opened on 7 April and will lead to the planned legislative assembly [words indistinct] under international supervision. Twenty political parties have registered in the election for 120 people's deputies in accordance with the system of proportional representation.

However, the Khmer Rouge (alias Democratic Kampuchea) have boycotted the electoral process and have refused to rule out the use of violence during the elections.

Akashi conveyed a proposal from Prince Norodom Sihanouk to hold an SNC meeting in Beijing where the prince is at the moment for medical examination. The State of Cambodia side recalled its stance according to which all discussions among Cambodians should be held in the Cambodian capital.

### **Climate of Fear Prevalent in Run-up To Elections**

*BK0205064093 Bangkok THE NATION in English  
2 May 93 p A9*

[Text] "Touek Touei Kampong Nou," goes the Khmer saying—it means the boat will go but the port will stay.

The State of Cambodia (Soc) government has adopted this proverb for its political campaigns in the run-up to the poll later this month to warn people not to believe in the United Nations Transitional Authority (Untac).

"Gone is Untac, but Soc is here to stay," is one version of the proverb Phnom Penh is using to undermine the United Nations' work in that country.

As the election dates of May 23 and 28 approach, Untac's attempts to convince people that their vote is secret is coming under question as the people face all manner of intimidation including threats to their lives from one party or other almost on a daily basis.

"Yes, people say they understand but who knows what they really think when the Khmer Rouge or the Soc police are around," said a senior Untac electoral information officer.

With volunteer electoral supervisors facing increasing threats to their lives in the past few months and Untac unable to provide adequate protection, the electoral education campaign could be crippled, said the official, who did not want to be named.

UN electoral officials have reportedly withdrawn from some remote zones including Kompong Thom where their lives were imperilled since the killing of a Japanese colleague along with his Khmer interpreter in early April.

The Khmer Rouge, which has been blamed for the killings of UN personnel, Cambodians and Vietnamese (although it has been cleared by the UN of involvement in the death of the Japanese volunteer) has refused to rule out violence in its attempts to disrupt the poll.

Professor Austin Reginal, head of Untac's electoral supervisory team, said: "There has been no strong political pluralism in Cambodia. People have been living under one-party or totalitarian rule."

Reginal said a majority of the Cambodians are illiterate, making the task of educating them about the electoral process that much harder for Untac.

In remote areas, some do not even know how to hold a pen. They find it difficult to mark the ballot paper to vote for the party of their choice, said another senior Untac electoral officer.

What is even worse, they are being told that whatever their feelings for a party just mark the ballot paper in its favour, otherwise a magic pen will reveal their choice.

Though all parties have resorted to harassment to coerce people to vote for them, Soc was the biggest offender, according to the number of cases reported to the Untac.

The state is making effective use of its control over the bureaucracy—provincial authorities, police, army and the media—in 80 per cent of the country.

"Untac made a serious mistake in being unable to create a neutral political environment for the elections," said the official, adding that "people are roaming the street with arms."

The move towards disarmament and cantonment of all four warring parties' troops and the UN control of Phnom Penh's key ministries, clearing the way for a neutral political environment to hold a free and fair election, was checkmated last June when the Khmer Rouge dropped out of the peace process.

He said that while Untac was prepared to use various techniques to prevent rigging of the poll, it had failed so far to prevent people from being politically intimidated.

Prof Reginal admitted that one great difficulty in holding the elections was the fact that there are no courts to try those who violate the UN-drafted electoral laws. The Untac can only deregister the offending parties or candidates.

He added that the encouraging number of 4.7 million registered voters was only part of the success story but the need to guarantee that they vote in the candidate of the choice was more important.



Although Phnom Penh is not free from fear, people can get an idea of how democracy works through state-owned television and radio stations. The Untac has its own radio station, and it gives free air time to all political parties.

But in remote provinces, people are living in trepidation. Untac's mobile electoral information units may reach them but not in adequate numbers. Nor do they stay for any meaningful length of time.

An electoral official quoted a villager as saying: "We are more or less secure with you around, but you cannot stay with us for 10 years. After you leave what will happen to us. After you depart, people will vote out of fear."

#### **Article Examines Election Campaign Propaganda**

*BK0205065293 Bangkok THE NATION in English  
2 May 93 p A9*

[Text] The launching of Funcinpec's [National United Front for an Independent, Peaceful, Neutral and Cooperative Cambodia] private television station this week for the purpose of the election campaign, after a politically-motivated delay and the intensification of the overall political campaign, is likely to have an impact on Cambodia's 4.7 million registered voters.

The new effort came at a time when electoral observers here said there were large numbers of voters who were undecided who to vote for among 20 political parties contesting the election for the 120-seat Constituent Assembly set for May 23 to 28.

They expected Funcinpec's popularity would be boosted as a result of the new station, though not enough to enable it to capture the majority of assembly seats from the Cambodian Peoples' Party (CPP), they said.

Funcinpec suffered badly after the start of the campaign when on Apr 7 Phnom Penh used a Funcinpec defector, Gen Kan Rath, to tell the public of the party's subversive links with the Khmer Rouge, a political strategy designed to discredit the party.

People in Phnom Penh were told to believe that if Funcinpec won, the Khmer Rouge would once again appear on city streets to terrorize them.

The Khmer Rouge was responsible for killing hundreds of thousands of Cambodians during its fanatical reign between 1974 and 1978.

It is widely expected that if the political environment does not change drastically over the next few weeks and politically motivated killings and other forms of intimidation do not increase, the CPP will garner about half of the assembly seats, though not enough to form a one-party government.

The observers said the rest of the seats would go to Funcinpec, led by Prince Norodom Ranariddh, the Buddhist Liberal Democratic Party (BLDP), of former Prime Minister Son Sann, and the Liberal Democratic Party, a

BLDP splinter group. They ruled out the chances of small parties securing even a single seat.

Funcinpec's candidate for Prey Veng province, Veng Sareywuth said he did not think the Khmer Rouge would be able to prevent the election. "Their forces may, however, cause some irritation for the election," he said.

An official from the electoral component of the UN Transitional Authority in Cambodia (Untac) said many Cambodian voters did not have a clear picture of opposition political parties as the parties were not authorized by Phnom Penh to use state radio or television.

Some of them said they wanted to see Ranariddh and Son Sann, said the official, who asked not to be named, and not only Hun Sen and other key CPP candidates who are featured daily on TV.

"Though some of them would not vote for the Soc [State of Cambodia, the Phnom Penh government], they don't know yet which other party to support," said the official.

While the Soc helped protect people from the brutality of the Khmer Rouge, its gross corruption, nepotism and failure to check its own power has disappointed many people, including those who hated the Khmer Rouge.

Like anywhere else, the visual impact of television in Cambodia is a most effective propaganda tool for swaying people's support for, or turning them against, a party.

Although Untac's television station has provided all political parties with two political advertisement slots each, five minutes a week, as well as provided other talk programmes, it is still not enough.

Funcinpec's FM 90 radio programmes include direct political campaigning as well as social awareness programmes and entertainment, including Khmer and foreign music and movies.

"We do not use only propaganda, we attract people in an intelligent way by giving them something to enjoy as well," said Funcinpec's candidate for Kompong Cham while attacking the Soc's State Cambodian Television Station. He said his party's station represented the future of Cambodia.

Prince Siriwuth, who is also Funcinpec's campaign manager, said he would be willing to organize a face-to-face debate between Phnom Penh Prime Minister Hun Sen and Prince Ranariddh if the prime minister would agree to participate.

The Untac electoral component's education and communications unit has planned to organize live TV debates between candidates in the run-up to the election but so far most of them have been reluctant to take part, saying they preferred delivering prepared speeches.



**Farmers Party Chief Warns Voters Against Son Sann**

*BK0305105193 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 0430 GMT  
30 Apr 93*

[Statement by Kong Piset, head of Liberal Democratic Khmer Farmers Party, to station correspondent; date and place not given—recorded]

[Summary from poor reception] I am the son of a farmer in Baset District, Kompong Speu Province. I went to law school, graduated, and got a job at this school. Under the Khmer Rouge rule, I took refuge in Thailand. There, I joined the Khmer People's National Liberation Front [KPNLF] of His Excellency Son Sann. I stayed with this group for over 10 years and witnessed all kinds of power abuses, human rights violations, corrupt practices, and acts of violence by KPNLF. I completely lost faith in it. I then decided to set up this Farmers Party on 17 September 1989 because I wanted to have freedom, to see the Cambodian people enjoy security and justice, and to bring genuine democracy to our Cambodian community.

After years of living with the KPNLF, I clearly saw that this group has not done anything for the well-being of the people and has not paid any attention to the plight of Cambodians at all. My Liberal Democratic Khmer Farmers Party and Son Sann's Buddhist Liberal Democratic Party do not have the same idea about democracy. I was put in jail by Son Sann when I first set up my party. In his campaign speeches, he talked only of good things and democracy. But in practice, he was totally different. The democracy that I want to have is not a sham one. It is a political and social democracy. I want to see the Cambodian people throughout the country know what their legitimate rights and freedoms are.

For all my efforts, I was harassed and persecuted. On 29 November 1990, I became the victim of a grenade attack that made of me handicapped up to the present. [passage indistinct]

The party at the camp on the Thai border sent their men to intimidate me and force me to dissolve my party or merge it with theirs. As I refused, they accused me of being an agent of the State of Cambodia Government. They used all tricks against me. [passage indistinct]

I returned to Phnom Penh in 1992 and set up this party again on 27 January 1993. [passage indistinct]

I want a government that belongs to the farmers, is made up of farmers, and fights for the interests of farmers.

I [words indistinct] to protect the Cambodian people from all harm. I am more afraid of the group with which I lived for 13 years than the Khmer Rouge. They claim to be our protectors, but they kill us in cold blood. The only thing they want from you now is your votes. [passage indistinct]

**Hun Sen Speaks in Battambang 26 Apr**

*BK0405153393 Phnom Penh Samleng Pracheachon  
Kampuchea Radio Network in Cambodian 1300 GMT  
28 Apr 93*

["Second and last part" of address made by Prime Minister Hun Sen at a meeting in Battambang Province on 26 April—recorded]

[Text] I would like to tell you that FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] is not the party of His Highness Sihanouk. I have time and again informed the clergy and compatriots about this. His highness himself has signed statements saying this; he signed with me in Beijing, and alone in New York. The other day, from Vihear Suo, I stressed this issue. Afterward, I went to see his highness who said: Your Excellency is right, what you said was correct; I am above others, I am not involved with any party.

I would like to inform you that the coming election is the assembly election, not the election of the head of state. The prince is also a candidate for head of state. Earlier, we discussed whether this [presidential election] should be held before, at the same time, or after the [assembly] election. It has been decided that this will be held after the assembly election. The coming election is the assembly election with the participation of 20 political parties; the prince is not taking part in this election.

Compatriots, please be informed and do not be deceived by that political party. If you are really a man, do not bring the name of his highness into this. I beg you, gentlemen, this is wrong. Do not go around telling lies. Those telling lies tend to be caught. And if you are going to tell lies, do it in the Atlantic or Pacific Oceans; do not do it in [words indistinct]; you will get caught, exposed, and punished. Remember this, you will be punished when you are caught. This is my reply, for the information of compatriots.

After the assembly election, the assembly will approve a constitution. What does the Constitution say? The principle is that the head of state should be elected by the people. FUNCINPEC said that if it wins, it will hand over the power to the prince. This cannot be done. Why? Because there is a barrier. [words indistinct] if you win, you can only form a government. Therefore, in setting up a government, the prince will be considered as your son and not your father, because the government is a son of the National Assembly. The prime minister is the son of the National Assembly. So, you are a party; you control the assembly, and you nominate the prince as head of state... [changes thought] ...prime minister; you thus consider the prince as a son and not as your father. The Constitution calls for a head of state to be elected by the people later, not now. So do not go around telling lies; it is wrong again. This is what I want to tell you.



It is about time we should stop being deceived. An old man said to (?his grandchild) in Kampot [words indistinct]. Do not let ourselves be deceived again. We were once deceived by Lon Nol and the Khmer Rouge; the latter, in particular, were hidden under the label of the prince's Kampuchean National United Front. [passage indistinct] One of the prince's sons is also a deputy prime minister of the State of Cambodia [SOC]. As Prince Chakkrapong said the other day: You are not the only outstanding son; [words indistinct] what about the other 13 children [words indistinct]? Well, they are all the prince's children. [passage indistinct]. Do not let.... [changes thought]

In some places, it was explained that this election is a contest between Prince Sihanouk and Hun Sen. This was announced, said in Kampot. I beg your pardon, there are 20 parties; this is not between Prince Sihanouk and Hun Sen. The prince is not taking part in this election. Moreover, the CPP [Cambodian People's Party] does not have a presidential candidate. We support the prince; we do not have a candidate for the head of state election. At the moment, it is a National Assembly election and not a head of state election. After this, only after there is a firm assembly, a sound constitution, and a strong force, can the election of the head of state be organized and held.

So, the firmest force is the CPP. [passage indistinct] (?cheated) like during the Khmer Rouge era. The Khmer Rouge said they supported the prince at all times as head of state. However, when they were in power, the prince was not only [words indistinct] but also imprisoned. Khieu Samphan was instead made head of state. Beware of this. As for the CPP, (?it is faithful). What we need is the preservation of social stability through a policy of national reconciliation (?and election.) Furthermore, we do not have a candidate to compete with his highness; we support His Royal Highness Prince Norodom Sihanouk.

When we demanded that the head of state election be held first, the party that supports the prince dared not support that demand. Following repeated talks and problems, it was decided that this should be held after [the assembly election.] One party demanded that the head of state election be held first and supported the prince; it was the CPP. [words indistinct] So, if you are a real man, do not involve the name of His Highness in all this. Behave smartly; be a dignified political party. Do not implement a policy of going up and down in accordance with water levels; this is not appropriate. A political party is a party that should be responsible for policy and (?strategy) of [words indistinct].

This is an issue I would like to talk about briefly concerning national reconciliation in order to solve [words indistinct].

The second point I want to talk about—I hope that grandmothers and grandfathers are not yet too bored. If so, let me add a bit more. Can I, grandmothers and grandfathers? Yes? In any case, I will not go beyond your

lunch time, venerables. It seems that we (?started a little late.) Are you willing to let me talk a bit more? Yes? So, let us hear the applause. [applause]

Now, I would like to talk a bit. A few years ago, and this is being talked about now in propaganda, they talk about the cause of inflation; they talk about the economy, (?poverty), and inflation. So, I would like to give an explanation.

A few days ago at the start of the campaign, there was a party [words indistinct] 500-riel bank notes with the picture of a cow with a broken leg on it. [Words indistinct] demand that the SOC currency not be used. Below the picture the caption reads: Before, 500 riel could buy a pair of oxen; Lok Ta [referring to Son Sann, literally "Grandfather"] is an expert on economy.

I would like to talk a little about this. (Hem Tero, Hem Bora, and Penh Chitakun) are third year students at the School of Medicine. They wrote to me with a good explanation which I regarded as objective analysis. They are worthy of being students representing the opinion of youths having good analysis. Lok Ta forgot this. Before the war, 500 riel could buy a pair of oxen; however, in 1975... [changes thought] ...74-75, 500 riel could buy only one green mango. This ought to have been taken into consideration; that 500-riel bank note picturing a cow with a broken leg.

Let me therefore talk a bit about this. What is the cause of inflation? What is the cause of the riel devaluation? What are the causes? All of us know that when we were liberated from the Pol Pot regime, we had nothing at all; we were all barehanded. Let me talk about this now, in case I forget.

They say that in Cambodia rich people are now getting richer and poor people are getting poorer. Let me talk a bit about this. The rich are getting richer; this is correct. However, to say that poor people are getting poorer, no; this is not correct. Why? Because in 1979, it was the bottom of poverty; we were at the bottom already. How can we get poorer? (?If this) refers to the other side, that is correct. The poor remain poor; they are not yet rich. This is correct. But saying that the poor are getting poorer, no; this is not correct. Just analyze it. If in 1979 we were at the bottom of poverty, there is no way we can get any poorer. At that time, we were poor and we could not beg either. It was poverty with no freedom. We were poor; Pol Pot banned us from even boiling an egg. Poverty with no freedom and with hardship.

Now, to say that we are not yet rich is correct. It is correct to say that we remain poor for too long and that poverty drags on. But to say that we are getting poorer, no. This does not exist; there is no way you can get any further below 1979. [chuckles] We should be courageous and accept the truth.

(?Brother here, you were better than me.) What did you have in 1979? And now? I would say that you are still poor [words indistinct] has a wrist watch. Did you have



this in 1979? [words indistinct] In 1979, during the Pol Pot era, it was poverty with no freedom. It was the lowest level of poverty. In the classification of poverty, it was (?lower than poverty.) It was poverty with no freedom; we were not allowed to beg. Now, you are poor but you can beg; some beggars even have [passage indistinct]

Let me talk about it. I walked to market [passage indistinct]. To say that the poor are getting poorer is not correct. In 1979, we were at the bottom of poverty. You cannot go any further below poverty. [Words indistinct] poverty drags on, that is correct. However, let me tell you that in the world, not everyone has an aircraft. I have traveled to many countries. There are beggars in America, in (?Japan) [words indistinct]. There are still beggars in major power countries. [passage indistinct] between rural areas and cities and between rich and poor. This is how it is and we should not confiscate property or destroy the property of the rich, confiscate from the rich and give it to the poor. How? Through [words indistinct] to enable the economy to [words indistinct]. Those with capital should expand factories and [passage indistinct] pay taxes [words indistinct] to pay salaries. It is not forcing the rich to become poor. The issue [words indistinct] private economy [words indistinct]. What should be of utmost concern is bottomless poverty [words indistinct]; this is the problem and not one of forcing the rich to become poor. Ways should be found to enable the poor to have jobs and have income [words indistinct].

FUNCINPEC, in its bulletin, has a picture of a television with my picture in it and the caption: A person with a little knowledge talks a lot. They can say what they like [passage indistinct] saying that the poor get poorer; no, this will not do. It is all right to say that poverty drags on. In the year 1979 it was abject poverty already; there is nothing else below that. As for problems, we are solving them.

The poor now have taxi bicycles and tricycles; these are the poor among the poor. Did you have tricycles in the Pol Pot era? No. Some poor people have motorcycles [words indistinct] horse-drawn carts, [words indistinct] workers riding in tractors [words indistinct] better than [words indistinct] in the Pol Pot era.

Now, the inflation issue. Let me inform you clearly, objectively, subjectively [words indistinct]. We started with absolutely nothing. We started to build a new society and a new regime from bare hands. We had to organize everything. In 1980 [words indistinct]. In the world, it seems that there is no country in which revenues and expenses are balanced, including the United States and Japan. [passage indistinct] Some countries use foreign aid to patch this up; some other through [words indistinct]. The debt of the United States is also quite large, but it owes its own people. It borrows from its people to fill its national budget.

However, for our country [words indistinct] (?how did we do it)? Let me inform you. We printed money and established a national budget. In a budget there are revenues and

expenses. Over the past few years, our budget has consisted of both material and money [words indistinct] our country's revenues coming from taxation and all kinds of businesses. [words indistinct] from some foreign aid, from some former (?socialist countries). Third, there are special revenues. What are these? These come from printing (?bank notes) [passage indistinct] come from printing bank notes. This is one of the reasons for inflation. Let me inform you that from the years of 1980 to 1989, inflation was minimal. However, since 1989, inflation has steadily risen. What caused this?

Let me inform you. There were a number of factors that [words indistinct] that compatriots forgive the mistakes committed by the government but only ask for understanding from compatriots. What were the reasons for increased inflation? First, Vietnamese troops were all withdrawn from Cambodia; the charge of national defense fell on the SOC side. When the Vietnamese were in Cambodia, they defended us. They paid for everything, from ammunition to oppose Pol Pot, food supplies for troops, to fuel. Vietnam paid for everything. Not only did Vietnam pay to feed its troops, it also helped [words indistinct] taking care of our sick compatriots. It had assisted in building (?bridges). However, when Vietnam withdrew, this burden fell on us. [passage indistinct] when the Khmer Rouge went on a rampage and launched attacks, tens of thousands of refugees were created as a result in Banteay Meanchey and Battambang. For example compatriots in Ratanamondol, Kompong Thom, and [words indistinct]. We still remember in Ratanamondol [passage indistinct]. Who helped? International organizations provided very little help. The government had to borrow money to spend [passage indistinct] to save the country [passage indistinct]. We had to spend to carry out repairs. When bridges were cut, we immediately repaired them. [passage indistinct] the border of Battambang and Pursat Provinces; rail bridges, tracks, and roads were cut. Where did we get the money? These were unexpected expenses.

We had not even solved these problems when the great floods in 1991 came. Our losses were immense. The international community came up with minimal aid. The government had to [words indistinct], foodstuff, clothing, medicine, fuel, [words indistinct]. No one helped. There was very little help from the international community. As for expenses, [passage indistinct] troops, police, [words indistinct]. If we did not solve the problem, who would? The people had no rice seeds, no refuge, no rice, no medicine; roads, bridges, and railroads were cut. The government had to spend money on this to save victims of war and of natural disasters. At times, in 1991 and 1992, we owed teachers, medical staff, soldiers, and policemen three, four, and even five months of salaries [words indistinct] because the money had to be diverted for the above expenses. At that time, aid from the former Soviet Union and the (?Eastern bloc) were all cut [words indistinct]. Compatriots, please understand these problems.

On top of this, we committed further mistakes. They were subjective mistakes. In the National Assembly and



the government, there were disagreements on printing bank notes. I would like to talk about [words indistinct] internal and subjective mistakes. The views of some National Assembly members and members of the government [passage indistinct]; we are short of budget and [words indistinct]. This was a mistake the government accepted. [passage indistinct] this was why the exchange rate of the dollar and riel was down from 1,200 riel to a dollar to 700 or 800 riel [passage indistinct]. The National Assembly authorized in the year 1991 to print 18,000 million worth of bank notes. However, we had money for only 8,000 million. This was a mistake [words indistinct] Let me inform you that the value of the currency does not depend on small or big denomination bank notes. Japan for example, a major economic power, does not have only 500 bills; it has 10,000-yen bills. Some countries have 100,000 denomination bank notes. Economic experts recommended printing small denomination bills. However, let me say this: If we print 1 million 50-riel notes, we will have only 50 million; if we print 100-riel notes, we will have 100 million, and 200 million if we print 200-riel notes, and 500 million if we print 500-riel bills. The cost of printing and transport is the same [words indistinct]. We committed another mistake which I [passage indistinct]. Since we printed these bank notes, we already owed our workers three, four, and five months of salary. If we had begged our soldiers, policemen, and teachers saying: We now owe you three months salary; we will pay you a month and a half, or two months first; if we owe you four months, we will first pay you half, that is two months, and we will gradually pay the other two months. Had we done this, teachers, policemen, and soldiers may have understood us. However, we did not think of this.

[Passage indistinct] Money burst into the market. That was a mistake. We should have released money little by little [passage indistinct]. Sabotage by the Khmer Rouge [passage indistinct] hand grenade attacks by FUNCINPEC and the Khmer Rouge in many places [words indistinct] in Battambang and Banteay Meanchey [words indistinct] to create panic and psychological instability. Along with all these problems, there is the Khmer Rouge economic sabotage [passage indistinct].

Let me tell you that it is very unfortunate for our country. The United Nations went to Namibia and spent [words indistinct] in Namibia. UNTAC in Cambodia uses (?dollars). At the SNC meeting I told the meeting and Akashi that I admitted that I was wrong in [words indistinct] UNTAC is not the cause of the riel devaluation; however, UNTAC has to acknowledge that UNTAC has eroded the people's confidence in the currency because it uses dollars [passage indistinct].

I appeal to compatriots not to be taken in by deceitful propaganda of some parties that (?claimed to be economic experts) using the 500-denomination bills with the picture of a cow with a broken leg on it [words indistinct] sabotage activities. [passage indistinct] That old man is not better than the SOC economists. They have now boasted that the SOC is incompetent. The CPP

is the only party that has rallied the most forces. [passage indistinct] inside the CPP to build the country such as Van Molivan. He does not boast that he is as old timer, but we know. Keat Chhon, Thao Pongleat—some are students of these persons—and now they boast that we are incompetent. There are so many other personalities that I cannot name them all. Even brother (Ma Laopi) [a well-known radio broadcaster during Sihanouk's time] says he will stay put with the CPP. [passage indistinct] Over the past more than 10 years the CPP has not been (?stupid). It has built schools [passage indistinct]. Is this not so? There are elementary and secondary schools [passage indistinct]. We have many colleges; each year (?thousands) of students graduate. [passage indistinct] Incompetent or competent does not rest upon you saying so [words indistinct]. Look at Khieu Samphan, doctor in economy, professor Pol Pot, professor Son Sen, professor Ieng Sary, Ieng Thirit, and many more. They started with the country being rich and then saw it become poor. What do you say? And those who have made the country rich from being poor, what do you say? Those old and new hands do not talk too much. [passage indistinct]

The old man was an economic expert in the sixties. Now we are in the nineties. I would like to ask you one thing: If you were Heng Samrin, Chea Sim, or Hun Sen, what would you have done in 1979? [words indistinct] tell me, what would you have done? Do not just keep saying Vietnam's puppets, illegitimate regime [words indistinct]. When they toppled the prince [Sihanouk], they claimed that the regime was corrupt [words indistinct]. That was why it was toppled. [passage indistinct] In order to topple us, they said that we were corrupt and were Vietnam's lackeys. Well, in that case, I am corrupt only for one generation; those people, those old hands were corrupt old timers. You were there during the prince's regime and the Lon Nol regime. Now they have turned to accusing us. They are therefore old hands at being corrupt and that was why they were deposed.

Let me say that the CPP has not refused to acknowledge its mistakes. In a bunch of coconuts, there are some good one and bad ones. Let me say that reforms and improvements in Cambodia [passage indistinct] from a state-run economy to a free economy [words indistinct] factories, enterprises [words indistinct]. We oppose this and have demoted quite a few already. For example, a bid was required. The official instead opted for a quiet chat. Take for example the tax collector: Suppose the tax is 1,000 riel; he levied only 600 with the remaining 400 to be divided between the two of them, 200 for himself and 200 for the business owner. The government has not refused to acknowledge this.

This is not a new story. It was present in the previous regime and is present in ours too. But we have struggled to eliminate it. [passage indistinct] but when the country is at war, it is not easy. [words indistinct] goods did not come through by boats but through jungles sometimes with the protection of our army. The government has not refused to acknowledge this. [Passage indistinct] They claimed that there are no schools, no monasteries. We



want to ask this question: What are Cambodians doing now? Are there schools and monasteries now? I have talked about this before so there is no need to talk about it again. Capitalist, communist, or socialist, it is not up to you to say; it is what has been done that counts.

Earlier in Battambang, it was said that FUNCINPEC had some aid coming in but the Hun Sen administration has prohibited this aid from coming in. I have just received this (?news) this morning in Battambang. For the information of compatriots nationwide, China has given 10 million yuan worth of aid. The SOC has 50 percent of the aid in rice. We were affected by floods [words indistinct] and medicine. This was not for distributing in the election campaign but for the tripartite group to distribute in Thmar Puok, Banteay Chhma, and Ampil. Now they use this fabric for distribution in the election campaign. This is not right gentlemen. Do not accuse the SOC of prohibiting aid from being brought in. Let me say this: if this was so [words indistinct]. The SOC was accused of prohibiting aid from being brought in while the people are poor. Who did this? The Khmer Rouge, Son Sann, and FUNCINPEC are the ones who prevent aid from the World Bank from coming. Now it turned out that it was the SOC that prevented ships carrying goods from coming in. Go to Kompong Som [passage indistinct] and not distribute in the zone under the SOC-controlled zones. The SOC distributed rice in [passage indistinct].

Let me talk a bit about this. Our government does pay attention to inappropriate actions by local officials. We are not indifferent to this. Yesterday, I followed a story in the paper LAND AND PEOPLE, a private newspaper, talking about (?Phsa Depo). I thanked that paper for reporting that. I have ordered Sar Kheng to tell the vice chairman of Phnom Penh city to immediately stop such activities.

These are matters requiring change of attitudes among state employees toward economic potential. We want to keep all economic potential as our dialogue partners. For example at Phsa Depo [a market in central Phnom Penh]. Whether we want to or not, it is necessary to build a good market. There should be proper selling places and not disorderly stalls. It is necessary to build these. Discussion should be held to reach an agreement with those selling at the market [words indistinct]. They have to come back to sell again [passage indistinct]. There should be discussions. You cannot just tell people to move out after the new year [words indistinct] when I get to Phnom Penh, I will invite all these officials for talks. If it is like the LAND AND PEOPLE has reported, this is a wrongdoing by these officials. I am grateful to this paper. A private paper helping to convey the people's message to the government and from the government to the people. Thus, I would like to reply to this paper and [passage indistinct]. Places should be found for them to sell goods to earn a living. To cite an example, we are now building the Olympic market—soon this will be inaugurated—it will not be long before it is opened for

business again. We should improve the place. It should not remain shabby. During the transitional period, from the time the construction starts until it is completed, ways should be found for people to earn a living [words indistinct] how their losses are compensated, and so on. These should be discussed. These people are partners. The state should use all economic people as partners. The CPP is changing attitudes to make state employees become supporters of economic potential. At the same time, the latter should also be understanding. If the place is in such a bad state, people would go to buy somewhere else, at better markets, instead of at this little one. So the place should be properly built to last a long time [words indistinct]. This is the thing. This is the change of economic attitude, the change of attitude of economic potential and of state employees.

I would like to talk a bit about this because a number of our compatriots have... [changes thought] ...it is other people's propaganda saying that if the CPP wins, land in the western part of the country would be given to Thailand and land in the eastern part to Vietnam. I have already stressed it. All 181,035 square kilometers will remain, nothing will be lost. I specified this in Kampot [words indistinct]. There is no question of giving it to anybody. However, let me talk a bit about it. I was very surprised the day before yesterday. A leader of a party talked to the leader of another party in order to form an alliance [words indistinct] if we win, we will give Koh Kong to Thailand. I said now, now. I am not going to reveal the name of this party, so that it can save face [passage indistinct]. I said Thailand will not do this. Give Koh Kong to Thailand? Is this not disastrous? [words indistinct]

I would like to inform you of the latest situation. I have received messages from Prey Veng and Kandal. Our compatriots in those areas are concerned about ballot rigging in the election. I would like to take this opportunity to tell you that UNTAC has come to Cambodia to act as a referee in the election. It has set up rules and regulations, which we have accepted.

The other day I met Akashi and Austin for talks. The two like to tease me. They said: In the election, the opponents should also (?see) the results to prevent accusations of ballot rigging. I said: This is good, excellencies. The Cambodian people are now concerned. Various parties can also use this pretext of ballot rigging. Where would this rigging take place? This would be done by changing ballot boxes. Twenty years ago, during the election of the head of state in Cambodia, three candidates were said to have won: Marshal Lon Nol, Uncle In Tam, and (Kev An). They were all winners. Ballot box switching was blamed.

I said to Akashi that the incident of 20 years ago should not be allowed to happen again. Representatives from various parties should (?all guard) and accompany ballot boxes. They should travel together with the boxes whether they travel by plane or by car. They will together count the ballots. The votes will not be counted [words



indistinct]; this will come next. [passage indistinct] no matter how many nights and how many days, they—UNTAC and the 20 parties—will all guard the ballot boxes. [words indistinct] open them together. I clearly said this to Akashi and Austin. [passage indistinct] not only us but other parties [words indistinct].

Compatriots, please be calm and assured. We will strive to [words indistinct] Prey Veng also asked me to explain. [words indistinct] not only the CPP. This election cost a lot of money. The United Nations is spending 2 billion dollars. There should be no cheating. It should be clear whether who is winning or losing.

I realize I am talking a lot today. [words indistinct] I would like to end now. Now let me ask you this: Grandmothers, grandfathers, uncles, aunties, brothers, and nephews and nieces, when the election comes, do you think you will vote for the CPP? Sure you will? Thank you. Thank you very much.

The CPP pledges that if it wins, the genocidal regime will not come back. If the CPP wins, ownership and property, whether public or private, will not be confiscated as in 1975. Land tax will not be levied for another 15 years, 15 years. Some say we cheat. But let me say that the CPP did not levy tax between 1979 and 1984. Between 1984 and 1988, yes, we collected tax. No tax was levied between 1988 and (?1990) [words indistinct]. Tax is still collected from traders, if you mistakenly think that you are exempt from paying this tax. There will be no salary for teachers. Land tax will not be levied for 15 years in case the CPP wins [words indistinct]. For example the tax is 200,000 riel a year for one hectare of land. The state will not levy tax [words indistinct]. This money will go into the people's pockets. [words indistinct] this had been done. In 1993 [words indistinct].

There was tax levied between 1988 and 1993 [passage indistinct] prices have already gone up. It is because of Prince Ranariddh, Son Sann, along with Khieu Samphan, who objected to aid from the World Bank worth 63 million dollars. A part of this aid is related to the salary of teachers and medical personnel. But this was rejected. That is why there is nothing. However, if we win—and after the establishment of a government the SNC would no longer be around—it will have been dissolved like salt in water. There will be only us. We will immediately sign it [words indistinct] we will have this money for [words indistinct] education, public health, and other sectors, including women.

The percentage of women in Battambang Province is high. Compatriots know about our policy toward women. We will continue this policy and further improve the role of women in society. Our women have played a great role [words indistinct]. They will continue to play a role. But I dare not promise [words indistinct] all the salaries will be paid [words indistinct] in order to dupe our women into voting for them. There is one party doing this. However, it is not the party that is the Khmer Rouge's ally.

[Passage indistinct] I would like to stress again that the CPP [words indistinct] ownership. On this basis, we continue [words indistinct]. It has been fourteen years since we had nothing. We have now achieved this. Do we have any potential in the future? [words indistinct].

Today I would like to leave with you His Excellency Sar Kheng, deputy prime minister and interior minister, he is a candidate here; His Excellency Uk Bunchhoeun, justice minister; His Excellency [name indistinct]; His Excellency (?Cheang Hun); and many others [words indistinct] people's deputy candidates here.

However, in brief [words indistinct] just vote for the CPP. The main issue is whether to vote or not. Now, let us learn how to tick. There is no need to (?draw) like before. A crow's foot or a chicken will do, as long as it is in the right box. Be careful, grandmothers, not to cross out the wrong box [words indistinct]. Look for the party of the angel, the party of son Hun Sen or of grandson Hun Sen [passages indistinct].

So, that is all [words indistinct] I would like to express thanks to the clergy and compatriots for paying attention to my long speech. Thanks also to youth groups and artistic troupes [words indistinct]. Once again [change of thought], what is important [words indistinct] the hope that compatriots will vote for the CPP to enable the latter to continue its historic mission. May you enjoy the five Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment. Thank you. [applause]

## Indonesia

### Alatas: No Need for Multilateral Security Pact

BK0405151893 Hong Kong AFP in English 1333 GMT  
4 May 93

[Text] Jakarta, May 4 (AFP)—Jakarta does not believe that the current situation in East Asia and the Pacific requires a multilateral security arrangement, Indonesian Foreign Minister Ali Alatas said here Tuesday.

"We don't think that a multilateral, pan-East Asia institutional framework should be undertaken prematurely ... I don't believe the situation in East Asia and the Pacific at this moment would warrant an immediate multilateral institutional thing," he added.

Speaking shortly after arriving back from a trip that took him to Rome, Pakistan and the United States, Alatas said Jakarta favored enhanced dialogue and exchanges of views between countries in the region.

Alatas had earlier said he believed Washington was now "much more flexible in its position" regarding security arrangement in the region and added that "they certainly are more open minded towards any possibilities."



Washington has in the past mostly advocated a web of bilateral security arrangements to complement its presence in the region, rather than multilateral arrangements.

Alatas said the United States "very much welcomes the prospect of having enhanced dialogue on common security questions in East Asia and the Pacific."

He added that although Jakarta saw a need for a continued U.S. military presence in the region, such a presence should not be anchored in the form of a foreign military base or alliances.

Senior officials of the Association of Southeast Asian Nations (ASEAN), of which Indonesia is a member, and the group's seven "dialogue partners" are scheduled to meet in Singapore later this month.

Although the meeting's agenda is still open, ASEAN diplomats have said the issue of regional security will be high on the list.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Its "dialogue partners" are Australia, Canada, the European Community, Japan, New Zealand, South Korea and the United States.

#### **On Effort To Arrange NAM-G-7 Meet**

*BK0505070093 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 May 93*

[Text] Foreign Minister Ali Alatas has reiterated that the participation of Non-Aligned Movement's (NAM) chairman at the Group of Seven, G-7, summit in Tokyo is still in the process of consultation among the group's member nations.

Speaking to newsmen upon his arrival at Jakarta's Sukarno-Hatta International Airport yesterday, Foreign Minister Ali Alatas said the issue on procedure and the best way on how NAM chairman could deliver his message to leaders of G-7 member nations could not be fully agreed upon yet.

Minister Alatas was on an overseas trip that took him to Rome, Karachi, and New York.

[Begin Alatas recording] Indonesia has no intention to join in the G-7 summit meeting. Our wish is to enable the NAM chairman to have a chance to meet all the leaders of the G-7 member nations simultaneously to present his views on North-South relations. The meeting could take place before or after the summit so long as the NAM chairman could meet all the leaders at one session. Thus the NAM chairman is not participating in the G-7 summit itself and the meeting with leaders is not part of the summit's agenda. However, this issue is still under negotiation. [end recording]

On Indonesia's proposal to address the summit, Ali Alatas said that the United States and G-7 member nations have no objection to the idea, instead they would be pleased if a dialogue session could be held so that

proposals, and views from NAM members countries could be made known to developed countries.

#### **East Timor Operations Command Officially Dissolved**

*BK3004125493 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 30 Apr 93*

[Text] The East Timor Operations Command was officially dissolved today in a simple ceremony presided over by Major General Theo Syaefi, commander of the 9th Udayana Military Region Command, in Dili. Maj. Gen. Theo Syaefi said in his speech that the Wiradharma Military Precinct Command 164 was now responsible for military duties in East Timor following dissolution of the East Timor Operations Command. The dissolution of the East Timor Operations Command is part of the policy of the leadership of the Armed Forces of the Republic of Indonesia (ABRI) and simultaneously reflects the dynamism of the organizational structure within the ABRI, particularly the 9th Udayana Military Region Command. As a consequence of the dissolution, the Wiradharma Military Precinct Command 164 is getting additional personnel to continue territorial operations in East Timor.

#### **New East Timor Diplomat Eyes Speedy Resolution**

*BK3004132393 Jakarta THE JAKARTA POST in English 10 Apr 93 p 2*

[Excerpts] (JP)—F.X. Lopez Da Cruz, the newly sworn in ambassador at large "with special tasks", says he is ready to use diplomatic tactics to accelerate resolution of the East Timor question. [passage omitted].

"I have yet to consult President Suharto and the foreign minister, Ali Alatas, about the details of my tasks" he told journalists at his residence.

Indonesia's diplomatic maneuvers to win UN recognition of East Timor's integration into Indonesia hit a snag following the November 12, 1991 Dili incident in which 50 people were killed when troops clashed with anti-government demonstrators.

Lopez, an outgoing member of the Supreme Supervisory Board, is probably better known to the Portuguese public than to Indonesian citizens. [passage omitted].

He was one of the key officials that UN special envoy Amos Wako met during his recent fact finding mission to Jakarta and East Timor.

"I will propose to President Suharto and Alatas my personal strategy on handling the East Timor issue," said the tall, balding Catholic seminary school drop out, who once underwent Lisbon-sponsored military training in Africa.



Even though he declined to mention the target of his diplomacy, he said the sooner the UN recognizes East Timor's integration into Indonesia the better.

Portugal, he said, is lobbying the European Economic Community (EEC) to support self-determination for East Timor, exaggerating alleged violations of human rights in the youngest Indonesian province.

Like other officials, Lopez takes pleasure in ridiculing Portugal's human rights record during its 450 years of colonial rule in East Timor.

"The locals' access to education was so restricted that only two East Timorese were lucky enough to go to the university during the four centuries of colonial subjugation," he said, laughing.

He plans to seek a more open policy for East Timor, such as allowing foreign officials and journalists to visit the province.

"Re-opening the Portuguese embassy in Jakarta will greatly facilitate communication between Jakarta and Lisbon which is now conducted largely through UN channels," he said. [passage omitted]

After the Portuguese colonial administrators abruptly left civil war-torn East Timor, Lopez along with leaders of pro-Indonesia parties, APODETI [Timorese Democratic People's Association], KOTA [Kalibur Oan Timor Aswain], and TRABALHISTA [Labor Party], proclaimed the integration of East Timor on November 30, 1975. Jakarta announced the integration on July 16, 1976. [passage omitted]

#### **General Staff Chief To Become ABRI Commander**

*BK0505071693 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 5 May 93*

[Text] Responding to newsmen in Jakarta this morning, Armed Forces Commander General Edi Sudrajat has confirmed that Lieutenant General Fiezal Tanjung will be appointed Commander of the Armed Forces of the Republic of Indonesia [ABRI], taking over the post that was being held by him so far.

Gen. Edi Sudrajat disclosed this after newsmen insisted that of late, there are rumors on the issue of the ABRI commander's post to be replaced by someone else. According to Gen. Edi Sudrajat, the installation ceremony for Lt. Gen. Fiezal Tanjung will be held on 21 May. At the moment Lt. Gen. Fiezal Tanjung is holding the post of ABRI's Chief of General Staff.

#### **Suharto Sends Condolences on Premadasa's Death**

*BK0505070293 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 May 93*

[Text] On behalf of the Indonesian Government and the people, President Suharto had dispatched a heartfelt

condolences message to the Sri Lankan Government on the death of President Ranasinghe Premadasa 1 May.

A press release from the Foreign Affairs Department said that the Indonesian Government expressed deep shock over the assassination of Premadasa by a person whose identity is still unknown. The Indonesian Government could not accept this and condemned the attack.

President Suharto had directed Coordinating Minister for Politics and Security Susilo Sudarman to be Indonesia's special envoy at the funeral ceremony for Premadasa in Colombo, Sri Lanka on 6 May.

### **Laos**

#### **Trade Document Signed With Thai Business Team**

*BK2904133593 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 26 Apr 93*

[Text] The Ministry of Trade of the Lao People's Democratic Republic [LPDR] and the State Warehouse Organization of the Kingdom of Thailand signed the minutes of their discussion on promoting trade cooperation between Lao and Thai businessmen in Vientiane on the afternoon of 25 April.

The minutes include the opinions expressed by both sides, which will be further proposed to their respective governments, on forming a Lao-Thai warehouse for promoting agricultural production. The minutes also indicated the agreement in principle to hold exhibitions and sales of agricultural products in the LPDR to create opportunities for Lao and Thai farmers and people to meet and exchange goods.

The Lao side asked the Thai side to help find a market for Lao commodities such as jute, mung beans, peanuts, and cotton. The Thai warehouse organization agreed to accept Lao officials from the trade Ministry to do study tours of trade in Thailand.

The signing took place during the visit to Laos by a delegation of the Thai warehouse organization from 23 to 25 April. Following their consultations and exchanges of views, both sides signed the minutes. Representing the Lao side at the signing was (Phiang Sisouphalat), deputy head of the Office of the Ministry of Trade, while the Thai side was represented by Sura Chaisamak, director of the Thai warehouse organization.

#### **Sayaboury Border Committees Meets Thai Delegation**

*BK2604090193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Apr 93*

[Text] From 20 to 21 April, the border peacekeeping cooperation committees of Sayaboury Province and Thailand's Uttaradit Province held an official meeting at the Uttaradit Provincial City Hall.



The Sayaboury provincial delegation was headed by Bounheuang Doungphachan, provincial governor of Sayaboury, while the Thai side was led by Chaivat Arunothaiwiat, Uttaradit provincial governor.

At the end of the meeting, the two sides signed a memorandum to confirm their cooperation on the issues they agreed upon. The memorandum stipulates that Sayaboury and Uttaradit Provinces will join hands to seriously crack down on activities of armed terrorists and criminals along the border and cooperate with each other in preventing and suppressing robbery of property, automobiles, motorcycles, and narcotics production and trafficking.

Further, the memorandum states that the two provinces have concurred to resolutely take action against those who want to sabotage relations between Sayaboury and Uttaradit Provinces and the long-standing relations between Laos and Thailand. In addition, the two sides also laid down rules and regulations to facilitate the exchange of visits between the people of the two provinces and a normal exchange of goods in border trade. They also established measures to tackle illegal smuggling along the border, as well as other problems. The delegations of the two provinces agreed that they should meet twice a year at a venue to be shifted on a rotational basis.

#### Further on Talks

*BK0505031093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 May 93*

[Text] In late April, the border peacekeeping cooperation committees of Sayaboury Province and Thailand's Uttaradit Province held their inaugural joint meeting in Uttaradit Province. The cochairmen of the meeting were governor of Sayaboury Province Bounheuang Doungphachan, for the Lao side, and Governor of Uttaradit Chaiwat Arunothaiwiat, for the Thai side.

In the meeting, the two border peacekeeping committees informed each other of current developments in their respective provinces. They discussed cooperation activities in various fields, such as the suppression of criminals, theft, and narcotics smugglers along the common border.

Furthermore, the two sides exchanged views and laid out measures and regulations to facilitate the exchanges of visits and trading activities of the people living along the border of the two countries in a peaceful manner and in conformity with the laws of each country.

The peacekeeping cooperation committees of Sayaboury and Uttaradit agreed to hold their joint regular meetings twice a year at a venue selected on a rotational basis. However, a special meeting may be called if both sides deem it necessary.

#### Sengmani Opens National Control Work Conference

*BK2804105393 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 26 Apr 93*

[Excerpt] The 1993 national conference on control work was opened in Vientiane this morning. The opening ceremony was presided over by Maichantan Sengmani, Political Bureau member of the party Central Committee and chairman of the Central Party and State Control Committee. The conference was attended by more than 60 party and state control cadres from 17 provinces [words indistinct]. It will last for five days, from 26 to 30 April.

At the conference, delegates will hear a review of the 1992 control work of the Central Party and State Control Committee to be presented by Maichantan Sengmani. They will also discuss and exchange views on the review of the implementation of past year's control work. They will then discuss and contribute views on the immediate plan and direction of the implementation of control work nationwide.

Maichantan Sengmani delivered a speech at the opening ceremony and noted some significant achievements of past year's control work. He said: Last year, control organizations at all levels made great achievements and thus contributed to the common success of the entire party and people in implementing the line, policies, and various resolutions of the party. The organizations carried out control activities in 15 out of the total of 17 provinces. They inspected the activities of district party organizations in 47 districts. They collected data on the implementation of control work from more than 4,200 party units in those districts, covering 47,758 party members. They also inspected party cadres and party units of some 142 targets in various state offices and organizations [words indistinct]. In the inspection and collection of data of each target group, they classified party units and party members. In this regard, 287 party units were classified as strong units, more than 1,700 as moderate, and more than 2,200 as weak party units. Meanwhile, more than 8,600 party members were classified as strong party members, more than 15,700 as moderate, and more than 20,000 others as weak party members. Some 243 party members were found to have lost their qualifications, with nearly 100 having been discharged from the party's ranks. [passage omitted]

#### President Meets, Addresses Savannakhet Cadres

*BK0105091393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 May 93*

[Text] President Nouhak Phoumsavan met and chatted with key cadres from Songkhon and Sonbouli Districts at the meeting hall of Songkhon District, Savannakhet Province, on the morning of 20 April.

Attending the address given by the president were members of the Third National Assembly from Savannakhet Province; Bounhom Boutdavong, standing member of



the provincial party committee and secretary of the party committee of Champhon District; (Siang Gnot), secretary of the party committee of Sonbouli District; members of the district administrative and party committees; and various committees in the province, including the provincial administrative committees and administrative committees of cantons and independent villages.

In his address, the president gave recommendations for building the party and cadres with higher and better quality to guide the socioeconomic and cultural work in line with the party's restructuring policy. At the same time, he also advised and introduced methods for the audience to expeditiously popularize the party's guidelines and policies among the people of all strata so as to allow them to gain political and ideological knowledge, thereby serving to fulfill the tasks of national construction and development.

At the end of his address, the president advised leading cadres at each level to pay more attention to encouraging the people to carry out production for self-sufficiency and to turn out goods for commercial purposes.

#### **Premier Issues Order on Inoculation Campaign**

*BK3004101993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Apr 93*

[Instruction issued 21 April by Prime Minister Khamtai Siphandon concerning implementation of work to promote a nationwide inoculation campaign from 1993 to 1996]

[Text] Laos is the country with the lowest inoculation rate among the countries in Asia and the western Pacific region. Even though an enlarged inoculation program to prevent tuberculosis, diphtheria, whooping cough, tetanus, poliomyelitis, and measles has been launched in our country for more than 10 years, the rate of inoculation against each disease still remains very low, only 30 percent, except against measles, whose inoculation rate is about 50 percent.

Inoculation against these diseases has made slow progress in recent years due to several problems. For example, financial support for carrying out this campaign is inadequate. Coordination among various services and organizations is ineffective. Local administrations fail to pay close attention to administering this work but only allow public health services to do the job in accordance with local conditions without a follow-up inspection. Many localities lack working personnel, while communication facilities remain very rudimentary or are nonexistent, and people's residences are scattered and located in remote mountainous areas. In addition, most public health services fail to properly explain to parents the need and necessity of the inoculation campaign and to convince them to bring their children to be vaccinated. Many localities still lack adequate facilities and equipment or utilize them for the wrong purposes. Our public health structure still remains immature.

Many health stations and herbal medical hospitals have not yet engaged in inoculation activities, etc.

On the basis of the spirit of the resolution on social and cultural work adopted at the Fifth Congress of the Lao People's Revolutionary Party [LPRP], relying on a resolution adopted at the inaugural session of the Third National Assembly, and with the aforementioned justification, the Lao Government regards the enlarged inoculation campaign as an important and central task of our country and as an extremely vital part of socioeconomic plans in the years to come. All government services and state and private organizations concerned, including the multiethnic Lao people, must pay attention to rapidly increasing the rate of inoculation against all diseases to reach 80 percent of the targeted population by 1996. To achieve the aforementioned objective, the prime minister has issued an instruction as follows:

1. The Public Health Ministry is instructed to act as a focal body in organizing the implementation of the inoculation campaign and in coordinating with all services and localities to spell out detailed plans and targets which must be fulfilled each year from now until 1996 to provide inoculation against six diseases to all infants under one year of age and against tetanus to at least 80 percent of all pregnant women and other women between the ages of 15 and 45 throughout the country.

2. All provinces, Vientiane municipality, the special zone of Sianghon-Hongsa, and all districts must form provincial- and district-level commissions for mothers and infants whose duty is to inspect, follow up, and coordinate work with all services concerned and public health services in executing plans and fulfilling expectations outlined by the commission in charge of implementing the central-level enlarged inoculation program which has been approved by the government and the National Commission for Mothers and Infants. Chairmen of the provincial- and district-level commissions should (?consult with) provincial governors or deputy governors and their representatives in inspecting and following up the implementation of the program in an efficient manner.

3. In 1993, the Ministry of Public Health is instructed to allocate needed budgets for organizing the implementation of the nationwide inoculation campaign by relying on the amount of money already allocated and endorsed by the National Assembly. As for the coming years, the ministry must earmark necessary budgets for carrying out this work and propose them to the government and the National Assembly for deliberation at a meeting to adopt the annual budget plan.

4. The Ministry of Communications, Transportation, Posts, and Construction must instruct its local services to provide necessary conveniences and regard it as a priority task to dispatch vaccines and inoculation equipment and to deliver postal packages from the center to the provinces and from the provinces to districts and



vice versa without delay. At the same time, the ministry must consider waiving some fees and service charges accordingly.

5. The Ministry of Trade and the Ministry of Finance must provide all conveniences in giving tax waivers on all equipment used in the enlarged inoculation campaign and all vaccines as specified in Resolution No 47. At the same time, they must consider lifting certain regulations and methods for the speedy acquisition of all equipment and vaccines used in the campaign from warehouses to avoid any delay which may incur unnecessary expenses from state budgets.

6. The Ministry of Information and Culture and its services in the localities have the duty to relentlessly and regularly popularize the importance and need of inoculation work in all forms and through all means, including in tribal dialects, among the people, cadres, state employees, workers, soldiers, policemen, traders, businessmen, and companies with a view to encouraging the multiethnic people and parents to take their infants and women to receive inoculation services at fixed units or from mother and child wards at hospitals and health stations or at mobile medical units in villages.

7. The Ministry of Education and its own services in the localities have the duty to advise school teachers and pupils to make contributions to the inoculation campaign administered by medical cadres by taking their younger brothers and sisters to receive inoculation service for the aforementioned six diseases in accordance with the national inoculation campaign timetable announced earlier by the Ministry of Public Health. In addition, the ministry must coordinate with medical personnel in encouraging the targeted population to receive inoculation services and help keep records on inoculation results or encourage people to take medical doses on schedule. Moreover, it should coordinate with the Ministry of Public Health in adding a subject on inoculation work to the curricula of kindergarten, elementary, and secondary schools and of the Informal Education Center.

8. Mass organizations from the central down to local levels, such as the Federation of Lao Women's Unions [FLWU], the Lao People's Revolutionary Youth Union, and the Lao Front for National Construction, with the FLWU playing the leading role, have the duty to mobilize parents or guardians of children to take their children to receive inoculation doses for the six diseases on schedule. They can also help medical personnel in popularizing health care programs by pointing to the importance of the inoculation campaign.

9. The acting minister of public health, the provincial governors, and the lord mayor of Vientiane municipality must submit regular reports once a month to the chairman of the National Commission for Mothers and Infants for forwarding to the government. At the same time, they must report any problems and difficulties

obstructing implementation of the campaign to the government so that the latter can find ways to promptly resolve such developments.

10. The acting minister of public health, the provincial governors, the mayors of all municipalities, and all district chiefs must regard it as their own responsibility to follow, inspect, and promote the implementation of the campaign on a regular basis and try to acquire assistance and support from the international community for this work. At the same time, they must inspect and see to it that the management and utilization of aid money, materials, equipment, and vehicles of all types are carried out in accordance with the objectives and in an effective manner. The Ministry of Public Health has the duty to report back to all provinces on the percentage of actual implementation of the inoculation campaign throughout the country in each quarter.

11. The Ministry of Public Health, the public health services of all provinces and municipalities, and public health offices of all districts must regard the inoculation campaign as a duty under their respective jurisdiction. They must urgently coordinate the upgrading and reorganizing of the organizational apparatuses and personnel in charge of carrying out inoculation work in proportion with the volume of actual work. They must be able to administer and manage this work in the localities under their responsibilities from the central down to the grassroots levels. They must recruit enough personnel at each level, ranging down from the central level. At the same time, they must regularly provide technical and academic advice downward to medical personnel. Should a province or district encounter difficulties or experience weak points, efforts must be made to promptly resolve such problems.

12. In the immediate future, the Central Commission for Mothers and Infants must convene a meeting of chairmen of the provincial committees for mothers and infants, chiefs of the provincial and municipal public health services, and chiefs of the provincial and municipal inoculation programs throughout the country in order to profoundly study and popularize the policies, programs of operation, and objectives for each year beginning in 1993 and the years to come. In each coming year, a meeting should be periodically held to draw lessons from this work.

13. All ministries concerned, ministerial-level organizations, provincial governors, the Vientiane municipal lord mayor, and the person in charge of the Sianghonnongsa special zone must strictly implement this instruction together.

### **Labor Ministry Issues Hiring Regulations**

*BK0405074593 Vientiane PASASON in Lao 9 Apr 93  
p 1*

[Text] Recently the Ministry of Labor and Social Welfare issued an announcement on the rules and regulations for



employers to make them suitable for the present situation. The measures include a prohibition against making laborers work more than eight hours per day. If necessary, no more than two working hours can be added per day, but not every day, and no laborer can be made to work on Sunday. In any case, wages must be paid to laborers at appropriate rates. The minimum wage must not be less than 26,000 kip per month, or 1,000 kip per day, per worker. At the same time, employers are also required to strictly and appropriately implement the social insurance policy as stipulated in the labor law.

Through the past period and at present, the Labor Ministry has found that a large number of companies, factories or plants, and business production and service units have used labor in a too severe manner and have made laborers work more than eight hours per day or more than 26 days per month, but also paid them too low wages. Even worse, a number of employers have been found to cheat laborers by cutting their wages, indiscriminately setting work regulations, discharging laborers without cause, and failing to comply with the social welfare policy as stipulated in the labor law.

Therefore, the implementation of the revised rules and regulations on the use of labor in Laos is now necessary and urgent.

#### **Editorial Views Economic Structure of Regions**

*BK0105134993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Apr 93*

[Editorial from the 24 April PASASON: "Strive To Successfully Build the Economic Structure in Regions"]

[Text] Respected listeners, due to its special characteristics, our country can be generally divided into three regions: the plains, the plateaus, and the mountains. Therefore, one of the orientations which must be firmly grasped in our country's socioeconomic development plans from now to the year 2000 is to build the economic structures for these regions by relying on the strong points and special characteristics of each one of them so that all three regions can be developed in simultaneously. This means that we must never neglect to develop any one of them.

Generally speaking, all regions must be developed in simultaneously without placing an emphasis on any particular region. This is because each region possesses different types of raw materials. Because a region being developed always receives special privileges in many fields, other regions also want their areas to become one. To attain such a status does not mean that a region has to fight for it.

To become an area marked for development, that particular region must be rich in natural resources such as mineral deposits, forests, and an abundant supply of labor. Moreover, its location must also be perfect. This means that that region must possess potentials—forests, fertile soil, and labor—for immediate exploitation so

that it will become a foundation and a source of capital for developing and building other regions in the country. By defining the direction to follow, it does not mean that any specific regions will be neglected and will not be developed simultaneously with other regions or provinces. Of course, each region and province must possess special characteristics for development.

It is true that many other countries in the world, ours included, are unable to develop all localities in a uniform manner. This is because conditions and circumstances in each region are different. That is why in the coming years, it is necessary for us to concentrate all efforts on developing the provinces in the central region of the country first, including Xieng Khouang and Vientiane Provinces, Vientiane municipality, and Bolikhamsai and Khammouane Provinces. The most urgent thing for us to do now is to carry out a feasibility study on the construction of the Nam Theun hydroelectric dam within the next five or seven years. This is because electricity, especially that from hydroelectric dams, is a source of capital and production strength in our country. At the same time, we must urgently build the infrastructure, such as communications routes and industrial facilities to process agricultural and forestry products with a view to successfully producing goods and developing the mountainous regions.

It is correct and appropriate for our party and state to single out the aforementioned central provinces as the region earmarked for concentrated development because this direction conforms to the reality in our country. These provinces are located in the central region of the country and possess all necessary potentials, such as natural resources, land, forests, labor, and communication routes for exporting goods, which are connected to the communication networks of some neighboring countries. Therefore, if we concentrate efforts on building and developing these central provinces in an earnest manner, we will attain adequate capital, experience, and favorable conditions for gradually developing other regions to become prosperous in the future.

Of course, correct principles or orientations cannot always bear fruit if we do not possess effective measures to implement them. Therefore, it is necessary for all cadres, workers, and state employees concerned to fundamentally appreciate and firmly grasp the economic structure of each region. After that, the aforementioned principles or orientations can be transformed into detailed plans for each sphere of work for correct implementation. Only when the leading cadres at all levels, especially at the provincial level, are able to appreciate the characteristics of their own regions and to know how to apply correct ideological and organizational principles will development programs in those provinces be gradually fulfilled.



**National Bank Issues 1,000-Kip Bank Notes**

*BK0405040193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 4 May 93*

[“Release” by the Bank of the Lao People’s Democratic Republic on issuing 1,000-kip bank notes—dated 28 April]

[Excerpt] Due to the implementation of the correct policy and guidelines of the party and state over the past years, the people throughout the country and foreign residents in the Lao People’s Democratic Republic [LPDR] have actively and enthusiastically worked to earn their living. This has led to considerable growth in the national economy and stability in the value of the kip currency as well, as the exchange rate between the kip and foreign currencies.

Furthermore, the policy of expanding economic relations with other countries has gained support from friendly countries and international organizations, has attracted the attention of foreign investors, and has provided them with opportunities to operate businesses in various fields of production and services in the LPDR.

In light of the aforementioned economic growth and in order to facilitate payments for purchases and services, with the approval of the LPDR Government, the Bank of the LPDR will therefore issue 1,000-kip bank notes for public use from early May 1993 onward. The new bank notes will be first introduced in Vientiane and later will be gradually introduced to other parts of the country. [passage omitted]

**Narcotics Suppression Project Sets Up Paddy Bank**

*BK0505070493 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 May 93*

[Text] In late April, the Narcotics Suppression Project’s Luang Namtha Branch set up a paddy bank for 11 villages of Lao ethnic groups comprising Lao Soung Ko, Thai Dam, Thai Khao, Lao Houai, and Si Soung, in Long District, Luang Namtha Province.

In the initial stage, the narcotics suppression project branch has sent 20 metric tons of glutinous rice paddy to the people in the areas. The people have also been advised to manage and use the given paddy efficiently and fairly for all in order to comply with the real concept of a paddy bank.

Meanwhile, earlier this year, the narcotics suppression project has also repaired a 25-km road from the Long District Municipality to Ban Siangpou to make it usable throughout the year.

**Food Aid To Benefit 62,500 in Drought-Stricken North**

*BK0105040093 Bangkok THE NATION in English 1 May 93 p A2*

[Text] The World Food Programme (WFP) will provide 3,000 tonnes of rice as emergency assistance to 62,500 people affected by drought in northern Laos.

The relief operation will target the four most severely affected provinces of Louang Nam Tha, Phongsaly, Houahanh and Xieng Khouang for a period of 120 days, the WFP announced.

The value of the aid was put at US\$915,000.

The prolonged 1992 drought seriously curtailed rice production throughout six northern provinces, some of which are surplus producers under normal conditions, and resulted in crop losses as high as 80 per cent in certain areas, the announcement said.

The region also suffered a long cold spell in September and October during the critical flowering stage of the rice crop, leading to significant reductions in yields.

Most families in the affected areas relied on subsistence farming.

Household food stocks are now reportedly very low and insufficient to support a majority of the population until the next harvest in September and October.

People are trying to cope with the emergency by selling their livestock, searching for food in forests, and borrowing food from relatives in unaffected areas.

Many farmers are already consuming their stocks of secondary crops, such as maize, normally held back until the end of the lean period.

People are unable to buy rice in local markets because of rising prices and limited supplies.

The Laotian Government has estimated that 172,000 people have been affected by the drought and are in need of emergency assistance.

Preliminary estimates of rice production in the six provinces indicated a shortage of more than 90,000 tonnes.

The WFP operation will concentrate on those districts and households most seriously affected by food shortfalls.

Assistance will be augmented by contributions from the government and non-government organizations such as CONCERN, World Vision, and Food for the Hungry, the WFP said.

The Committee of Food Aid Reception in the Laotian Ministry of Agriculture will be responsible for overall coordination of the relief operation in cooperation with the WFP.



Distribution of the food will be handled by local authorities and NGOs [nongovernment organizations] where available.

### Philippines

#### Japan Grants Almost \$11 Million for 'Green Aid Plan'

HK3004035293 Manila MANILA BULLETIN in English 30 Apr 93 p B-1

[Text] The Japanese government has allocated close to \$11 million to fund three Philippine projects this year under the Green Aid Plan.

These include the development of water treatment systems utilizing charcoal from waste wood and the upgrading of soil in areas heavily eroded by the destruction of the country's tropical forests.

The Philippines will also negotiate for the establishment of a demonstration plant, with at least 100 megawatts capacity, that will address the problem of sulphur removal in coal and oil that are used as fuel in the energy-intensive industries.

Japan, in the past two years, developed a similar program for the application of the Green Aid Plan for China and Thailand, respectively. The Philippines has been selected as the third recipient of the economic assistance package under the Plan.

The broad framework for the Plan's implementation in the Philippines was one of the major issues discussed during the recent state visit of the President to Japan. This will be a multi-year project, covering about four years.

"In developing the concept of the Green Aid Program for the country, we are working on a heavy private sector participation considering that the industries will be the main beneficiary of these projects," the Department of Trade and Industry (DTI) said.

The DTI, as the lead agency, will act as the clearing house for these projects that will benefit targeted industries such as chemicals, power generation, metal working, semiconductors and textiles.

In the case of the development of water treatment system, which will be undertaken initially jointly by the MITI [Ministry of International Trade and Industry] and the Department of Science and Technology (DOST), the government hopes to work out a water purification system using high quality charcoal as raw materials.

The other project of the MITI and the Department of Environment and Natural Resources (DENR) concerns the upgrading of soil that will not only assist the agricultural sector but also the government's re-forestation program.

#### ROK Offers 100 F-5's at 'Concessionary' Prices

HK2904060193 Manila DZXL Radio Mindanao Network in Tagalog 0320 GMT 29 Apr 93

[By Jose G. Ebro]

[Text] South Korea has offered to sell 100 F-5E fighter planes to the Philippines at what they call a concessionary price in support of the Philippine Air Force's modernization program. Officials at the Department of Foreign Affairs [DFA] said that aside from the fighter jets, South Korea has also offered to sell 12 naval patrol boats at low prices. Negotiations for these sales will be finalized during President Ramos' three-day state visit to Seoul next month.

DFA officials also said there are reports that South Korea is planning to present honors to the president for being the first Korean war hero to become chief executive of a nation. This they say is in recognition of the president's role in the defense of Korean democracy during the Korean war in the 1950's.

South Korea's offer to sell its F-5E fighter jets comes in light of its plans to upgrade its air capabilities to F-16 fighter jets. South Korean and Department of National Defense officials are scheduled to hold further talks in the coming weeks.

#### Report Views Muslim Fundamentalists' Stand on Talks

HK2704030993 Quezon City ABC-DWET Television in Tagalog 1000 GMT 26 Apr 93

[From the "ABC-DWET News" program; part one of a series of reports on Muslim fundamentalists' stand on government peace talks with the Moro National Liberation Front; remarks by Abu Sayyaf official Abu Albuana are in English]

[Text] The extremist or fundamentalist Muslim group is opposed to Moro National Liberation Front [MNLF] Chairman Nur Misuari participating in the peace talks. According to the group, nothing substantial will come out of the peace process between the government and Misuari.

Let us listen to the first part of the report on this subject by Arlene de la Cruz.

[Begin recording] [De la Cruz] The Muslim extremist group in Basilan does not support the upcoming peace talks between the MNLF and the government. The group known as Abu Sayyaf, which believes in fundamentalism, said the entry of Nur Misuari into the peace process is a sign that he has betrayed MNLF ideals.

Abu Albuana, one of the senior aides of Abdurajak Abubakar, who is believed to be the group's leader, told ABC-5 in an interview that they will not allow themselves to be covered by any peace process:



[Albuana] We firmly believe that nothing could be substantially attained. The government will once again fool the Muslims and the people of Mindanao. Unless the Philippine colonial Constitution is amended, this will surely be another drama in an exercise in futility. We call on the MNLF to withdraw from the peace process.

[De la Cruz] Abu Sayyaf is not after peace or any kind of political settlement, says Abu Albuana, but genuine autonomy and independence for Mindanao:

[Albuana] Many leaders of revolutionary forces have already given their support to Abu Sayyaf Jundallah. We heartily acknowledge and thank them for this support. They declared that they are one with us in this holy war. [end recording]

### **Military Launches Operation To Rescue Kidnapped Priest**

*HK0305152493 Quezon City ABC-DWET Television in English 1300 GMT 3 May 93*

[From the "ABC-DWET News Program"]

[Text] The military rescue operation to free kidnapped Spanish priest Father Bernardo Blanco in Basilan is on. Elements of the three Marine battalions based in Lamitan and Maluso advanced on the extremist Abu Sayyaf-controlled sector called Camp Salam.

One soldier was reported dead in the first assault that began at 0900 this morning. Two Abu Sayyaf fighters were also reportedly killed in the attack that was still going on late this afternoon.

The site of the battle near Barangay Trese is only 45 minutes by foot from Camp Almadina where the Abu Sayyaf unit is believed to be holding Father Blanco and the five-year-old Tonton Biel.

The dead soldier was identified as Corporal Narciso Lagran.

ABC-5's Arlene de la Cruz and cameraman Ed de Guzman are with the Marine assault force and witnessed the opening skirmishes.

### **Four Persons Killed in Clash**

*HK0505100293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 4 May 93*

[Text] Two soldiers and two rebels have been killed in an encounter in Kapayawan, Basilan. This was in relation to the military's rescue operation for kidnapped Spanish priest Father Bernardo Blanco and Anthony Biel. One of the slain soldiers was identified as Corporal Narciso Lagran. The bodies of the rebels are still being identified. Six other kidnappers have also been reported wounded in the two consecutive encounters in Kapayawan and Kapatagan. The encounters occurred last Monday [3

May] when the military increased its force for the launching of a full military operation to rescue Blanco and Biel this Thursday.

Meanwhile, Father Blanco and Anthony Biel are reportedly in good condition. Authorities have said that negotiations are still ongoing to facilitate the smooth release of the victims kidnapped by suspected Muslim bandits.

Lieutenant General Romeo Zulueta, Southern Command chief, has explained that their entry to the kidnappers' territory is being done in an unhurried manner as requested by some sectors to give additional time for the negotiations to progress. Blanco and Biel are believed to be in the hands of the Abu Sayyaf group, which has demanded a ransom of 14 million Philippine pesos.

Claretian missionaries are supporting any action by the authorities to rescue Blanco.

### **Malampaya-2 Well Confirmed as 'Major Oil Discovery'**

*HK3004053093 Manila THE MANILA CHRONICLE in English 30 Apr 93 p 9*

[Report by Katherine R. Espina]

[Text] Malampaya 2 well has been confirmed as a major oil discovery with oil flowing yesterday at a rate of 7,617 barrels per day (bdp), the Department of Energy (DOE) said yesterday.

Shell Philippines Exploration, lead operator at the Malampaya field, flowed oil at more than 7,000 barrels at the well's uppermost interval of 11,080 to 11,113 feet using a large-size choke of 2 inches.

The choke controls the flow rate. If a smaller choke is used, but at a high level rate, this means more oil can be produced at that interval.

Griselda G. Bausa, DOE director for the energy resource development bureau, said at yesterday's drilling bulletin that Shell successfully retested the well's uppermost interval.

Using a normal-sized choke of 48/64 inch, the well also flowed oil at a rate of 5,114 bdp.

Last March 5, Shell Philippines conducted a drill stem test. The well flowed oil only at a rate of 3,774 barrels.

This time, the flow rate at more than 7,000 was arrived at after conducting a full production test.

The first Malampaya well flowed oil at an initial rate of 7,000 barrels daily.

The second well is currently shut-in for pressure build-up, DOE said.



## Thailand

### Ministers Call U.S. Trade Demands 'Very Tough'

BK0505042493 Bangkok THE NATION in English 5 May 93 p A4

[Text] Cabinet ministers in charge of economic affairs yesterday described as "very tough" the United States' demand that Thailand strengthen its patent law, endorsing Thai experts' stand that the law is already in line with international standards.

The demand was putting the negotiations on the bilateral dispute "back to square one", said Deputy Commerce Minister Churin Laksanawisit.

Failure to abide by the US demand will subject Thai exports to retaliatory tax action by the United States.

Washington accuses Thailand of failing to protect US trademarks, patents and copyrights.

"The United States has the right to make such a demand while Thailand has the right to consider whether it is internationally acceptable," said Deputy Prime Minister Suphachai Phanitchaphak.

Churin said the US demand was "very difficult to implement".

"Our biggest problem is the US demand that we change our patent law. This has been a long-standing bone of contention," Churin said.

Over the weekend, the United States placed Thailand, along with Brazil and India, on its "priority foreign country" watchlist (PFC) for their allegedly poor records on intellectual property rights protection.

Washington has given Thailand three months to take the steps requested by the US Trade Representative (USTR) or face retaliation under the US trade law.

In one of his toughest comments to date regarding the bilateral dispute, Prime Minister Chuan Likphai said on Sunday [2 May] that Thailand would abide by international principles but would not bow to any "unacceptable" US demand.

He stopped short of actually saying whether the US call for changes to Thailand's patent law was unacceptable.

"The patent problem is a very tough one," Suphachai said.

"We have to consult the Public Health Ministry to see which changes we can make and which ones we can't afford."

Washington wants to curb the Thai government's broad powers to prevent the abuse of a monopoly resulting from patents. It complains that the power of the Thai government to revoke the licensing of foreign drugs is discriminatory.

In addition, the United States seeks specific commitments to improve protection of drugs under development or which have already been patented but not yet marketed in Thailand.

Some Thai academics have argued that Thailand's law already conforms with draft rules on intellectual property rights under the General Agreement on Tariffs and Trade (GATT). The United States has warned it could take retaliatory measures even before the draft rules are finalized or before a GATT resolution is made on whether Thai law meets international trade principles.

"The United States is making a lot of demands, some of which were revived from previous negotiations," Churin said.

Commerce Minister Uthai Phimchaichon has been in the United States to negotiate with US officials on the trade dispute.

"I have been informed that we are heading back to square one," Churin said, adding that Uthai had only acknowledged the US demands without presenting counter-proposals.

Both Suphachai and Churin said Thailand would review its stand before a new round of talks began.

Suphachai said he would go to the United States after Thailand had redefined its stand on the patent protection.

The Cabinet yesterday acknowledged the Commerce Ministry's report on past and existing steps of the authorities against copyright pirates.

The Cabinet also approved in principle the Justice Ministry's proposal to set up a panel to look into the possibility of setting up a court to handle international intellectual property rights disputes.

The 22-man committee will be headed by ex-Supreme Court President Sophon Ratthanakhon.

### Government 'Source': U.S. Makes 'New' Trade Demands

BK0505052293 Bangkok THE NATION in English 5 May 93 p B1

[Text] US Trade Representative Mickey Kantor made new trade demands on Thailand, asking Commerce Minister Uthai Phimchaichon to lower tariffs on motion pictures and some imports, during a May 1 meeting in Washington, a Government House source said.

The source said the new US requests suggest Washington is demanding more concessions from Thailand to settle the ongoing trade dispute than it had outlined earlier in a letter to the minister.

Late last month, Kantor sent a letter to the Commerce Ministry through the Thai ambassador in Washington,



outlining four points which need to be improved in Thailand before trade relations between the two countries would normalize.

The four demands require a credible result in the crackdown against copyright violators, amendments to Thailand's copyright and patent laws to conform with international standards, amendments to the compulsory licensing law and retroactive patent protection for drugs under the 'pipeline period.'

Uthai is in Washington, heading a team of 12 Thai delegates in talks with US trade officials. The delegation is the latest effort by the Thai government to convince the United States not to retaliate with trade sanctions against Thai exports.

In the National Trade Estimate Report released by the USTR in late March, the USTR cited high tariffs on some US exports, such as chemicals, agricultural produce and motion pictures, as among Washington's grievances against Thailand.

Apart from the high tariffs, the USTR also said that a small proportion of Thai tariffs have "bound" ceiling rates under the General Agreement on Tariffs and Trade (GATT).

The USTR report said the average Thai tariffs are now 8.5 per cent, and substantial reductions in the rate have been made in recent years.

On April 30, the USTR listed Thailand on its priority foreign country (PFC) watchlist for the third consecutive year. The agency cited its concern over inadequate protection of US intellectual property as the reason for returning Thailand to the list.

Apart from the tariff cut request, Kantor also asked the country to amend legislation concerning copyright protection, the source said. Washington also asked the country to grant seven-year retroactive protection for the US drugs under the pipeline period—those drugs which have already been patented elsewhere but have not yet been marketed in Thailand.

As well, the USTR asked Thailand to end discrimination through the use of the country's compulsory licensing law—under which the Thai authority has the right to revoke the drug licences whenever it finds the licence holder sells drugs at 'unfair' prices. The US trade watchdog also asked the Commerce Ministry to withdraw some members of its Pharmaceutical Patent Board.

The team of Thai trade officials is expected to meet with the US officials again on April 4. Uthai is also planning to extend his stay in the Washington for another day to May.

While US trade officials told Thai delegates during an earlier trade mission to Washington in late March they should sign a memorandum of understanding [MOU] to show the country's commitment to stopping intellectual property crime, Thai officials in the current delegation

are not expected to sign the MOU before they leave Washington, the source said.

Dr Thirana Bhongmakapat, chief economic adviser to Deputy Prime Minister Suphachai Phanitchaphak, said Thailand should not agree to a binding commitment with the USTR by signing the MOU.

"Once we make the binding commitment with the United States through the MOU, we can no longer raise complaints at the multilateral trade talks under the General Agreement on Tariffs and Trade (GATT)," he said.

### Meeting To Discuss Double-Tax Treaty With U.S.

BK0505055693 Bangkok THE NATION in English 5 May 93 p B2

[Text] Thai and US officials will decide whether to sign the double-tax treaty at a meeting scheduled tomorrow in Bangkok. The meeting will deal mainly with the copyright tax and the long-stalled tax sparing issues, said a highplaced source in the Finance Ministry.

The government, meanwhile, is preparing to shave five per cent off the Copyright Tax for signatories of similar treaties and drop the 'tax sparing' incentive out of the deal with the US.

Currently, Thailand's Copyright Tax is 15 per cent for countries with or without double-tax treaties. According to the source, the US will certainly ask for a Copyright Tax reduction during this talk.

"They will ask us to reduce from the current 15 per cent rate. This is because when US companies sell copyrights or patents to Thailand, they have to pay the high tax which partly makes the cost surge", said the source.

Thailand is facing a similar situation. Besides being confronted by costly copyrights bought from the US, Thai traders still have to pay a Copyright Tax. "As a result, some prefer to 'steal' it," the source said.

However, according to the same source, the Thai government is likely to reduce its copyright tax. Currently, the Treasury Department is waiting for the Finance Ministry's approval to reduce the tax from the current 15 to only 10 per cent.

The move to reduce the tax stemmed from the five per cent reduction of Copyright Tax Thailand had earlier made for countries without double-tax treaties with it.

"Initially, Treasury Department collected the 20 per cent copyright tax from the countries without double-tax treaties, and 15 per cent from those having the treaties. Later, the government announced a 5-per cent reduction in Copyright Tax for countries Thailand has not had double-tax treaties with, resulting in the 15-per cent Copyright Tax," the source explained.



As a result, the normal tax is set equally at 15 per cent, for countries with or without double-tax treaties.

However, there was no reduction in the tax Thailand charged the countries she has doubletax treaties with, since the tax is contained in a different legislation.

"It is good we reduced the tax now since the reduction will tempt the US as well as others to hold a talk on double-tax treaties with us," the source noted.

Yet, whether the talk will be successfully wrapped up also depends on the US action on trade sanctions against Thailand.

"The May 6 talks partly depend on how the US government perceives Thailand on the intellectual property rights issue. If the US decides to take harsh sanctions against Thailand with its Special 301 trade law, the prospect for the Double-Tax Treaty is deemed to be unimpressive," said the source.

"The treaty is based on the concept of two countries sharing mutual benefits. If they don't trust us, they wouldn't want to grant much to us," the source commented.

Meanwhile, after discussing the pros and cons of the tax sparing for eight years, Thai and US officials have recently agreed to leave the issue out of the negotiation of the Double-Tax Treaty.

Tax sparing has been a deadlocked issue throughout the course of the negotiation because the subject, even though stated in every double-tax treaty Thailand has made with other countries, is not accepted by the US government.

The main point of the tax sparing is that, besides not having to pay taxes while investing in the countries having the double-tax treaties, investors will also be able to claim the tax credits once they go back to their countries even though they never did pay any taxes before.

Such a tax incentive scheme was unacceptable to the US Congress. The US government claimed that since no actual tax had been paid, tax deduction cannot be granted.

According to a source, officials from both countries agreed to settle the issue, using 'deferral' instead.

Under the deferral concept, investors from both countries are subject to no profit taxes unless they decide to transfer the money back to their countries.

"Since we can cure the problem of tax sparing, we truly hope that the talk will be much easier on May 6. However, this also depends on the mood of the current US trade sanctions on Thailand," the source cautioned.

Meanwhile, Thailand is planning to sign a Double-Tax Treaty with Luxembourg after the two finalize on the two issues in June, according to a source in the Finance Ministry.

Luxembourg has asked Thailand to mutually provide capital tax exemptions. Thailand normally does not have any capital tax especially those on buildings and residences. This is because, according to Thai law, foreigners are prohibited to own buildings or land in Thailand, except condominiums.

In addition, Luxembourg asked for a 15-year tax sparing period in the Double-Tax Treaty to replace the infinite period normally stated in the treaty. "The Finance Ministry has no problem on this issue either," said the source.

### **Potential U.S. Trade Retaliation Called 'Risk'**

*BK0505091593 Bangkok THAI RAT in Thai 5 May 93  
p 3*

[Editorial: "America Takes A Risk"]

[Text] The United States has given Thailand three more months to comply with its demands, which could be termed dictates, to amend the patent law and the law pertaining to pharmaceuticals, and eliminate copyright violations in order to fully protect its products or face retaliatory measures in accordance with Article 301 of its trade act.

The Thai Government did not give details of U.S. Trade Representative Mickey Kantor's demands, but it is our prediction that Thailand will not be able to avoid being placed on the U.S. chopping board. This is because the Thai Government does not practice the kind of dictatorship that allows it to dictate to the legislative branch. As a result, several Thai products could have their tariff privileges cancelled, while some will be assessed with higher import duties.

However, we wish to inform fellow Thai residents that the U.S. retaliation will not cripple Thailand's entire foreign trade system. We may lose some of the 600 billion baht in total export earnings, but the U.S. pressure could mark the beginning of Thailand switching to new trading partners, particularly in the Asia-Pacific and Latin regions.

In fact, Thai residents should know that the United States is taking a risk. That country is not just exerting pressure on Thailand, but also on other countries such as Japan, China, Taiwan, the ROK, Poland, India, and Brazil. These countries are currently unhappy with the United States. Japan has even announced that it plans to carry out trade retaliation. The EC is also dissatisfied with the United States over several issues. The United States is certainly taking a risk because a merging of countries unhappy with the United States into an anti-U.S. trading bloc would not do that country any good.



It now appears that the U.S. trade strategy is to isolate the target countries and strangle them one by one. This strategy is evident in the case of the Philippines and Taiwan which agreed to sign memorandums of understanding to commit themselves to comply with U.S. demands. As evident in the case with the EEC, the United States does not like to negotiate with trading blocs because it can not exert pressure on individual member countries.

Foreign specialists agree that the U.S. economic recovery can be achieved only by trade with Asia-Pacific countries due to their great buying power. Thailand should strive to group ASEAN and Asian countries on the Pacific rim together to serve as bargaining power against the United States. In this way the Thai economy will not suffer as much.

### **Son Sann: Khmer Rouge To Attend SNC in Beijing**

*BK0405125493 Bangkok Army Television Channel 5 in Thai 1235 GMT 4 May 93*

[Text] Son Sann, leader of a noncommunist Khmer faction, called on Foreign Minister Squadron Leader Prasong Sunsiri at the Foreign Ministry about one hour ago to hold consultations about the general election in Cambodia.

The foreign minister told reporters that Son Sann asked for Thailand's assistance in the general election and restoration of peace in Cambodia. He said:

[Begin Prasong recording] We want everything to proceed smoothly. Only the Cambodian people can solve the Cambodian problem. Leaders of all Khmer factions should reconcile. We will closely watch the situation after the election. As friends, we hope that we will continue our friendly relations. We hope to see national reconciliation. [end recording]

Meanwhile, Son Sann said that he could not predict the result of the election. Thailand's assistance, however, is needed in this regard. He revealed that the Khmer Rouge will also attend the meeting of the Supreme National Council of Cambodia to be held in Beijing soon. All factions pin their hope on Prince Norodom Sihanouk.

### **Prasong Discusses Proposal To Reopen Cambodian Border**

*BK0405130293 Bangkok Radio Thailand Network in Thai 1200 GMT 4 May 93*

[Text] Foreign Minister Squadron Leader Prasong Sunsiri spoke with newsmen at Government House this afternoon about the Interior Ministry's proposal to the cabinet to open temporary border crossing points on the Cambodian border. He said after thorough consideration, the cabinet decided to assign agencies concerned, particularly the Interior Ministry, the Foreign Ministry, and the National Security Council, to jointly verify information contained in the requests of Thai loggers to

bring their machinery and equipment back from Cambodia. Only requests of loggers will be considered and on a case-by-case basis. Requests will be considered immediately once submitted. The foreign minister said permission given to bring back logging equipment is not considered an opening of border crossing points, but amounts to permission to allow the return of equipment on a case by case basis.

The foreign minister said the National Security Council will be the central coordinating agency on this matter. Any withdrawal of equipment from Cambodia must be reported to the Cambodian Supreme National Council and the UN Transitional Authority in Cambodia to avoid undesirable allegations which could tarnish the government's image. Aside from allowing the return of equipment on a case by case basis, the government has no policy of importing timber or processed wood from Cambodia. The government will continue to comply with the pertinent UN resolutions.

The foreign minister said his official visit to Cambodia during 6-8 May is made at the invitation of the Cambodian Government. While in Cambodia, he will meet with leaders of the various Cambodian factions and evaluate the pre-election situation. Regarding current fighting in Cambodia, the foreign minister said information from the Thai Embassy showed that the situation has returned to normal. There were no reports of Thai tourists being injured by the fighting to date.

### **Cabinet Rejects Proposal**

*BK0505035693 Bangkok THE NATION in English 5 May 93 pp A1-A3*

[Text] The Cabinet yesterday rejected a proposal to reopen all border checkpoints with Cambodia so logging companies can retrieve about \$240 million worth of machinery, but decided to set up a committee to study requests by loggers that they be allowed to remove the equipment on a case-by-case basis.

The committee would comprise representatives from the interior, foreign and defence ministries as well as the National Security Council (NSC). Interior Minister Chawalit Yongchaiyut told reporters after yesterday's Cabinet meeting.

He added that the committee would be responsible for considering formal requests from Thai businessmen wanting to bring back their logging equipment left behind in Cambodia.

He said any decision on reopening the 21 checkpoints on the Thai-Cambodian border would be made on a case-by-case basis. The committee is to consider which checkpoints should be opened and when.

No further government approval is needed once the committee makes a decision, according to Chawalit, who added that only logging machinery and equipment, not processed timber, would be allowed to be brought back to Thailand.



Chawalit last week withdrew from the Cabinet agenda a proposal for reopening the Thai-Cambodian border to processed wood and logging equipment after strong opposition from the Foreign Ministry, which claimed the plan would run counter to the UN-sanctioned ban on the export of Cambodian logs which became effective in January this year.

Thailand closed its border with the war-torn country on Dec 31, 1992 in compliance with the UN ban.

Foreign Minister Prasong Sunsiri yesterday said at Government House that he would soon explain the government decision to the United Nations Transitional Authority in Cambodia (Untac) and the National Supreme Council of Cambodia to avoid any future misunderstanding.

He was speaking out of apprehension that Thailand would be subject to immediate condemnation from the world community if it reopened border.

Prasong insisted that only logging equipment would be allowed to be brought back from Cambodia and removal of processed timber would be viewed as being against the UN resolution.

Meanwhile, Air Force Commander ACM [Air Chief Marshal] Kan Phimanthip said he agreed with the plan to reopen the Thai-Cambodia border to bring back logging equipment left there.

"I support the idea of reopening the border for Thai investors because some warring factions might modify the equipment for use in their war and then Thailand will get blamed for supporting a certain faction," he told reporters.

Besides, the air force commander said both the Thai government and the military have been giving full support to the United Nations in establishing peace in Cambodia.

First Army Region Commander Lt Gen Chettha Thanacharo also voiced support to the idea, saying the interests of the Thai people are of utmost importance.

"The military is ready to comply with any government's decision because our duty is to protect the public interest. We are ready to provide security to every Thai appearing at the border," he said.

He also said the reopening of the border would not go against the UN resolution since it was clear that processed timber or logs would not be allowed to be brought back to the country.

During yesterday's Cabinet meeting, Prasong and Chawalit expressed concern over the possibility that the reopening of the border would result in the condemnation of Thailand by the world community.

However, both ministers agreed that the government should render a helping hand to Thai businessmen to remove their logging equipment from Cambodia.

Some Cabinet members argued that it was impossible to effectively monitor the movement of the equipment if all checkpoints were reopened simultaneously within a particular period. It was also argued that it would take a long time for the Cabinet to approve individual requests by investors.

Prime Minister Chuan Likphai then proposed setting up a committee comprising representatives from the three concerned ministries and the NSC to consider requests by Thai businessmen on a case-by-case basis with no Cabinet approval required.

According to a Cabinet source, the foreign minister told the meeting that strict regulations had to be enforced to ensure that no violations of the UN resolution occurred during the transfer of logging equipment.

The source said that according to Prasong, only checkpoints in areas controlled by the Phnom Penh government should be reopened and it is necessary for the authorities to keep a close watch on the removal process.

#### **Army Engineers To Perform 'Additional Tasks' in Cambodia**

*BK3004140693 Bangkok Army Television Channel 5 in Thai 1200 GMT 30 Apr 93*

[Text] Colonel Phalangkun Klahan, the Army spokesman, has reported on the meeting of Army units at the Army Meeting Hall chaired by Army Commander General Wimon Wongwanit. He said the army commander has instructed units along the border to be vigilant. Thai Army engineering units in Cambodia have also been given an added mission.

[Begin Phalangkun recording] The army engineers in Cambodia will be given additional tasks. To date, the 1st and 2d Engineering Task Force Battalions have been performing diligently, resolutely, and successfully, bringing earning a great name for the country. The Engineering Department has asked the Army to approve psychological operations and the assistance of Cambodians in their operational areas. Their added mission will be to distribute drinking water and food and provide medical service to enhance good understanding between the Thai and Cambodian people and create love for the Thai Army which will help bring success to the overall mission. [end recording]

#### **ASEAN Urged To Use Bargaining Power Against U.S.**

*BK3004092193 Bangkok SIAM RAT in Thai 30 Apr 93 p 3*

[Editorial: "Bargaining Power With the United States"]



[Text] The United States is suffering badly from the magnitude of continued trade deficits with its trading partners. Its chronic, huge budget deficit has created an economic decline. Its exports are performing badly, and its products are being outsold at home by imports. The 8 percent U.S. unemployment rate is the highest in the past eight years. For this reason, the United States is embarking on an offensive against every country in order to try to achieve an economic recovery.

Thailand has been targeted by the United States for some time on the grounds of its alleged unfair trade practices and failure to protect intellectual property rights. Despite Thailand's best efforts, it is not expected to escape the U.S. determination to punish it with Article 301 of the U.S. Trade Act. This is evident in the recent letter from the Office of the U.S. Trade Representative to the Thai Government. The letter reads like an instruction from a colonial power.

We wish to inform the government about a consensus of international trade specialists. These specialists agreed that for the United States to attain an economic recovery it will have to turn to the Asia and Pacific region, particularly the ASEAN region, whose economic growth is the biggest in the world. The volume of U.S. trade with Europe or other regions could never approach the volume of trade with the ASEAN area.

Rough statistics show that the volume of U.S. trade with ASEAN countries totals more than its trade with the EC. The U.S. trade volume with Singapore alone is greater than its trade with Italy and Spain combined. This proves that ASEAN, with a population of 350 million, possesses true economic bargaining power. However, we have not exploited this power.

It is very appropriate for the Thai Government to initiate a meeting of ASEAN countries to consolidate power to bargain with the U.S. offensive to protect the common interests of ASEAN from unreasonable or colonialist U.S. demands. The favorable trend of U.S. trade volume in the ASEAN region will serve as ASEAN's great bargaining power.

The EC countries have long used its collective bargaining power vis a vis the United States. They have refused to negotiate with the United States in a bilateral format. In this vein, ASEAN countries should not allow the United States to ambush any particular ASEAN member singularly.

### **Military Spokesman Denies Attempt To Divert Funds**

*BK0505040893 Bangkok THE NATION in English 5 May 93 p A3*

[Text] A military spokesman yesterday denied a politician's charge that the Supreme Command had lobbied the government to divert Bt [baht] 100 million from the royal guards' budget to its secret fund.

Spokesman Lt Gen Anuson Kritsanaserani told the Nation that a diversion of funds had been sought with the House committee scrutinizing the 1993 budget "in accordance with established procedures".

Chat Phatthana MP [Member of Parliament] Prawat Uttamote on Sunday charged that the military had lobbied the government in an effort to divert Bt100 million from the royal guards command headquarters to the armed forces' secret fund. Prawat said the request had been approved by the Budget Bureau and Prime Minister Chuan Likphai and only awaits Cabinet approval. Prawat served as spokesman of an ad hoc House of Representatives committee that scrutinized the 1993 Budget Bill.

He said that when the House committee reviewed military spending, the Supreme Command voluntarily offered to trim its secret budget by about Bt100 million.

He claimed that by later trying to obtain an equal amount from another source the Supreme Command was only trying to camouflage the real purpose of the allocation to prevent possible scrutiny by the House committee.

The royal guards command headquarters was allocated Bt181.7 million in the 1993 Budget Bill, passed by Parliament in late February.

The request later to divert Bt100 million from the headquarters fund was made by Supreme Commander Woranat Aphichari through the Defence Ministry, according to Prawat.

The military's overall budget came under tough scrutiny before the Budget Bill was passed. "Khun Prawat might have misunderstood the situation," Lt Gen Anuson said.

The officer explained that the military sought the Bt100 million budget directly with the House committee when it reviewed the budget bill before its final reading. He denied, without elaboration, Prawat's claim that the military wanted the budget diverted to the secret fund.

### **Vietnam**

#### **Army Paper Discusses 'Humanitarian Policy'**

*BK0105092993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Apr 93*

[Article by Le Hoa in 12 April QUAN DOI NHAN DAN: "A Humanitarian Policy for the Sake of Human Beings"]

[Summary] Of late, a number of Western newspapers and radio stations and some newspapers owned by exiled overseas reactionary Vietnamese groups have harped about shopworn stories about alleged human rights violations. For instance, "they have carried interviews with this scientist or that statesman, including Vietnamese and foreigners, with the aim of making readers and listeners mistake these stories for new occurrences in



Vietnam so the latter will jump to the conclusion that the Communist Party of Vietnam and the State of Vietnam have violated human rights and are undemocratic."

One of the most important pretexts they often raise to denounce Vietnam for human rights violations is that "Vietnam is still detaining military officers and civil servants of the old Saigon regime." And "they have demanded that Vietnam immediately release these prisoners." What is truth about this?

As everyone knows, an international tribunal to prosecute war criminals was set up as soon as World War II ended. This was fair and reasonable. War criminals continue to be tracked down and put on trial, even 50 years after World War II. What about Vietnam? Does it have the right to bring to court those aggressors and those betrayers who have done harm to their country?

These criminals have caused untold suffering to numerous families. Evidence of their crimes is still there. "We have sufficient incriminating evidence to put them on trial for their war crimes. But the State of Vietnam and the Vietnamese people did not do that and there was no bloodbath as claimed by the enemy's distorting propaganda. Proceeding from its humanitarian policy of national reconciliation, our state advocated gathering those members of the old puppet Saigon army and administration, who owed great debts of blood to the people, into various reeducation camps."

If we did not promptly put these people into reeducation camps, no one could protect them from retaliation by the people. "Psychologically, by sending these people for reeducation for a while, we were able to cool down the people's resentment against them."

Those sent to reeducation camps were "those who had committed crimes against the people and the country." But "they were treated with leniency and humanity" when they were there.

During those years immediately after the war, "our government cadres and employees were each allocated 13-15 kg of rice per month while reeducation camp inmates received as many as 15-17 kg per month and even 30 kg of rice per month for those working under hard conditions."

At these camps, "the inmates studied, worked, played, read books and newspapers, watched television programs, and listened to radio broadcasts. They were also allowed to receive personal letters from their families. Anyone with a talent was encouraged to develop it. Aging and ailing criminals were given careful attention. Relatives were allowed to visit inmates. At each reeducation camp, there were three or four Happy Rooms equipped with double beds, blankets, and dishes. This was to enable the wives of the inmates to enjoy their stay with their husbands during their visits to the camps. The result was that many of the wives gave birth to babies after these camp visits. Alcoholic and drug addiction were the only things that were banned at these camps."

This humanitarian policy helped members of the old Saigon regime repent their wrongdoings toward the people and the country. Tran Thang Chi, an overseas Vietnamese engineer in France, visited his young brother, Thuc, who was an inmate at the Bac Thai reeducation camp. Tran wrote a letter to the Ministry of Interior, asking it to convey his sincere gratitude to the party and the state for their humanitarian policy.

Phan Kim Dung, member of the Overseas Vietnamese Association in France, when visiting his father, Phan Nhu Tuoc, and his brother, Phan Anh Dung, at a reeducation camp, said: I felt deeply moved when I was received by the reeducation camp management and I now understand more thoroughly the lenient policy of the party and the government toward reeducation camp inmates.

After being released to rejoin his family, Le Van Than, a sub-brigadier general of the old Saigon regime, said: "I am very happy and grateful to the revolutionary administration of the Socialist Vietnam for having released me after 17 years in reeducation camp." He went on: "During the period 1988-1992, the steering committee of the Ham Tan reeducation camp and other officials of the camp treated us [the inmates] with leniency."

Le Minh Dao, ex-brigadier general and commander of the 18th Saigon Puppet Infantry Division, said after his release from the Thu Duc reeducation camp: "We [the reeducation camp inmates] had been given fair and sensible treatment."

"By 30 April 1992, our state had set free all the military officers and civil servants of the old regime who had been sent for reeducation after 30 April 1975. Among those released in the last batch were ex-Brigadier Generals Le Minh Dao, Tra Ba Di, and Do Ke Giai; and ex-Sub-brigadier General Le Van Than, a deputy commander of the old Saigon Air Force."

Although Mr. Winston Lord, assistant U.S. secretary of state for South East Asia and the Pacific, said on 31 March 1993 that "all reeducation camp inmates have been released," a number of exiled overseas reactionary Vietnamese groups continue to raise "a shopworn chorus that the Vietnamese State is still detaining officials of the old Saigon regime in various reeducation camps. This is to slander our administration for violating human rights."

It can be asserted that "following the victory of 30 April 1975, the gathering of those committing crimes against the people and the country for reeducation in order for them to repent their wrongdoings and turn themselves into citizens useful to the country was a very humanitarian policy of our party and state—a policy for the sake of human beings and for national unity and reconciliation."



**Celebrations Mark Victory Day, May Day****1,000 Attend Hanoi Meeting**

*BK3004151193 Hanoi VNA in English 1456 GMT  
30 Apr 93*

[Text] Hanoi VNA April 30—A 1,000-strong mass meeting was held here this morning by the Party Committee, the People's Committee, the Fatherland Front and the Workers' Confederation of Hanoi to mark the 18th anniversary of the liberation of south Vietnam (April 30) and the 107th May Day.

Among those present at the meeting were Do Muoi, general secretary of the Communist Party of Vietnam (CPV) Central Committee Dao Duy Tung, politburo member and secretary of the CPV Central Committee Phan Van Khai, politburo member of the CPV Central Committee and Deputy Prime Minister Pham The Duet, politburo member of the CPV Central Committee and secretary of the Hanoi Party Committee and Le At Hoi, mayor of Hanoi.

**Do Muoi, Other Leaders Attend**

*BK0405153393 Hanoi Voice of Vietnam Network  
in Vietnamese 0500 GMT 30 Apr 93*

[Report on 30 April Hanoi meeting marking May Day and the 18th anniversary of the 'liberation' of South Vietnam—portions recorded]

[Text] The party and people's committees and the Vietnam Fatherland Front Committee of Hanoi Municipality held a solemn meeting this morning, 30 April, to mark May Day and the 18th anniversary of the liberation of South Vietnam.

Attending the meeting were Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Nguyen Thi Binh, SRV vice president; Phan Van Khai, deputy prime minister; Pham The Duet, member of the Political Bureau and secretary of the Hanoi Municipal Party Committee; Nguyen Van Tu, president of the Confederation of Vietnamese Workers; Le At Hoi, chairman of the Hanoi Municipal People's Committee; and Nguyen Hong Quan, president of the Hanoi Municipal Federation of Trade Unions.

After Comrade Nguyen Hong Quan, president of the Hanoi Municipal Federation of Trade Unions, delivered the opening speech, Comrade Le At Hoi underscored the historic significance of May Day. He said:

[Begin Le At Hoi recording] In the long struggle—led by the CPV with President Ho Chi Minh as its founder, its trainer, and its head—full of sacrifices and hardships for national independence and freedom, the Vietnamese working class always upheld the banner of Marxism-Leninism and took the lead in various revolutionary movements. After many decades of heroic and persistent struggle, the Vietnamese working class, together with people nationwide, scored a glorious victory.

With the success of the August Revolution, Vietnam has become the first worker-peasant state in Southeast Asia. This was followed by two protracted wars that Vietnam fought to regain its national independence and freedom culminating in the 30 April 1975 victory which totally liberated South Vietnam, bringing to a successful conclusion the struggle for national liberation and unification and advancing the entire country on the socialist path.

Despite encountering many difficulties, the entire party organization and people of Hanoi have persistently carried out the party's renovation policy and have attained some important results. For instance, they have been able to firmly maintain political stability and effect initial changes for the better economically and socially. [end recording]

He went on: Compared with the same period last year, the total industrial output value of Hanoi in the first quarter of 1993 increased by 13.2 percent with local industry output value up by 24.5 percent. The commodity market was abundant and prices were stable

Agriculturally, the municipality achieved the target for acreage in the 5th-month spring rice crop. The livelihood of peasants has become more stable than previous years. Export and import volumes were up by 22.8 percent and 42.9 percent respectively as compared with the first quarter of 1992. Budgetary revenue collection increased by 7.8 percent over the first quarter of 1992.

He also pointed out existing difficulties and ordeals, for instance: Some 40 percent of state-run enterprises continue to operate reluctantly. This is because they lack cooperating funds. Their equipment is obsolete and their product quality does not meet the market standards. In addition, corruption, smuggling, and other social evils remain serious and tens of thousands of laborers are unemployed or underemployed.

Comrade Le At Hoi emphasized:

[Begin Le At Hoi recording] The tasks to be carried out by the municipality in the period ahead will, among other things, consist of: —creating a stable socio-economic environment

—directing investment efforts at renovating equipment and technical programs in order to turn out competitive export-oriented products

—stepping up agricultural production in the direction of carrying out intensive cultivation and developing processing industry

—rapidly increasing export value and the potential to achieve economic cooperation with foreign countries

—striving to prevent unexpected price fluctuations, especially with regard to essential goods

—continuing to invest in building the infrastructure

—rectifying urban management activities

—further improving the people's material and spiritual life

—stepping up cultural, sports, and physical education activities



- expanding the movement to build the new countryside and a civilized lifestyle
- effecting the struggle against social vices, corruption, and smuggling
- strengthening the effectiveness of state management at various levels
- heightening revolutionary vigilance and satisfactorily carrying out national defense and security tasks and maintaining public order and safety

At this solemn meeting, the working class and the people of various strata of Hanoi would like to express their solidarity with the working class and the labor people of other countries and the the world democratic and peace forces in the latter's struggle for lofty epochal goals. [end recording]

The meeting was closed with a speech by Comrade Nguyen Hong Quan, president of the Hanoi Municipal Federation of Trade Unions.

#### **Doan Khue Visits Army Unit**

*BK3004133993 Hanoi Voice of Vietnam Network  
in Vietnamese 1400 GMT 29 Apr 93*

[Text] On the occasion of the 30 April victory anniversary, General Doan Khue, member of the party Central Committee and minister of national defense, recently paid a visit to the Chien Thang Division—one of the units that took part in the historic Ho Chi Minh campaign to liberate Saigon in the spring of 1975 and currently a pilot unit in the movement to make every division comprehensively strong in accordance with the five requirements of the Ministry of National Defense.

After he was briefed on the work performance of the Chien Thang Division by its leading and commanding cadres of the division, General Doan Khue commended cadres and combatants of the division for having maintained their solidarity and illustrated their tradition as a heroic unit, as well as for having exerted great efforts to make their division progressive in every aspect and relatively strong and firm in the tasks of training, ensuring combat readiness, establishing a regular pattern, maintaining discipline, preserving weapons and military equipment, and caring for and improving the livelihood of troops.

The general urged cadres and combatants of the division to always heighten vigilance and maintain a high degree of combat readiness to resolutely frustrate all of the enemy's schemes and tricks of peaceful evolution. He also pointed out the need for commanding cadres at all levels to pay sufficient attention to the material, spiritual, and cultural life of troops.

#### **NHAN DAN: Marxism Retains 'Creative Vitality'**

*BK0505081093 Hanoi VNA in English 0617 GMT  
5 May 93*

[All quotation marks as received]

[Text] Hanoi VNA May 5—'One cannot ask Marxism to settle all problems of all times but it must be conceived as the opening and the basis for successive generations to perceive, discover and transform the world, thus continually enriching their theoretical knowledge', says NHAN DAN's editorial today on the occasion of K. Marx's 175th birthday. The paper continues :

'Marxism is an important source of the victory of the Vietnamese revolution. Inversely, reality of the development of the Vietnamese revolution has contributed to enriching the theoretical treasury of Marxism. The Vietnamese have come to Marxism prompted by revolutionary zeal and an ardent desire to find out the truth, liberate the working class and the nation. President Ho Chi Minh with his firm grasp of the basic principles of Marxism has creatively applied and developed them to settle concrete problems in the fight against colonialism for national independence and to take the country towards socialism. 'Over the past 6 years, the initial achievements of the renovation initiated and led by the Communist Party have proved that Marxism in particular and Marxism-Leninism in general and Ho Chi Minh's thought still retain in full their creative vitality and continue to develop.

#### **IAEA-Aided Hanoi Irradiation Centre in Operation**

*BK0105062893 Hanoi VNA in English 0344 GMT  
1 May 93*

[Text] Hanoi VNA May 1—The Institute of Nuclear Science and Technology has officially put into operation an irradiation centre in Hanoi.

This is a project jointly implemented by the Vietnam National Institute for Atomic Energy and the People's Committee of Hanoi in the framework of the technical support project codenamed vie/8/004, in which the International Atomic Energy Agency (IAEA) provided the centre with an irradiation chain. The irradiation equipment is used for preserving food, sterilizing medical instruments, etc.

#### **Business Delegation Leaves for Visit to U.S.**

*BK3004140093 Hanoi Voice of Vietnam in English  
1000 GMT 29 Apr 93*

[Text] A 38-member business delegation left Hanoi on Wednesday morning for a two-week visit to the United States at the invitation of the California Commercial Council for Southeast Asia, the Vietnam-U.S. Chamber of Commerce, and other American companies.

This is the first of such a Vietnamese delegation ever to visit the United States. The delegation will contact their American colleagues to acquaint themselves with local trading practices and experiences.

The delegation will visit San Francisco, New York, and Washington.



**Nguyen Minh Cuong, Youth Delegation Visit Spratlys***BK0505091093 Hanoi VNA in English 0630 GMT 5 May 93*

[Text] A delegation of the Ho Chi Minh Communist Youth Union leaves here today for a visit to Truong Sa islands. The 32-member delegation is headed by Nguyen Minh Cuong, member of the Central Committee and secretary of the Hanoi committee of the union. It is taking along 74 million dong worth of presents to the stationing troops on the islands.

**Deputy Foreign Minister Vu Khoan Visits Burma***BK3004074893 Hanoi VNA in English 0550 GMT 30 Apr 93*

[Text] Hanoi VNA April 30—A delegation of the Ministry for Foreign Affairs led by Deputy Minister Vu Khoan, visited Myanmar [Burma] from April 26-28 at the invitation of the Ministry of Foreign Affairs of Myanmar.

Vu Khoan held talks with his Myanmar counterpart U. Swe and with Minister of Planning and Finance D.O. Abel, Minister of Tourism and Hotel K. Wba and Deputy Minister of Mines U. Win. He was cordially received by First Secretary of the State Law and Order Restoration Council K. Nyunt and the Minister of Foreign Affairs.

Mr. Khoan discussed with Myanmar leaders measures to enhance the traditional friendship and expand cooperation between the two countries on the basis of equality and mutual interests for peace and development in Southeast Asia.

**Foreign Minister Nguyen Manh Cam Visits Iran***BK0505141493 Hanoi Voice of Vietnam in English 1000 GMT 4 May 93*

[Text] Iran has told Vietnam that it is ready to import agricultural produces from Vietnam and exports what Vietnam needs. The message was delivered to Vietnamese Foreign Minister Nguyen Manh Cam who arrived in Teheran on Monday, 3 April, for a three-day visit to Iran.

Foreign Minister Nguyen Manh Cam, in turn, told his Iranian counterpart, Mr. Velayati, that Vietnam wishes to broaden its relations with Iran and proposed the exchange of scientific, cultural, and technical teams between the two countries.

**Thai, Taiwanese Trade Delegations Visit***BK0105062293 Hanoi VNA in English 0348 GMT 1 May 93*

[Text] Hanoi VNA May 1—Two trade delegations comprising representatives of small and medium-size enterprises from Thailand and Taiwan have visited Ho Chi Minh City.

The Thai trade delegation comprising 63 members was organized by the Thailand Chamber of Commerce and Industry, and the Taiwanese 20-member delegation, by the Taiwan Development Council (Cetra).

While in Ho Chi Minh City they met with Vietnamese businessmen to study possibilities of trade and investment in Vietnam, especially in the areas of garments, basic chemicals, building materials, food processing, hand ware, machinery, banking service, stationery, cosmetics...

On April 28, the Thai businessmen visited the central province of Quang Nam-Danang. They had contacts with representatives of the administration and business circle in the province.

**Transport Delegation Visits Malaysia 25-30 Apr***BK0405064593 Hanoi VNA in English 0606 GMT 4 May 93*

[Text] Hanoi VNA May 4—A delegation of the Ministry of Transport and Communication led by Deputy Minister Le Kha visited Malaysia from April 25-30 at the invitation of the Ministry of Transport of Malaysia.

It was received by Minister of Transport Dr. Ling Liong Sik and held working sessions with the Ministry of Transport and various companies of land, sea, railway and air transport of Malaysia.

The two sides discussed measures to strengthen cooperation in transport and communication, especially in training, and exchanged experiences in the development of transport and communication.

**Joint Cooperation Committee To Be Set Up With Singapore***BK0305084093 Hanoi Voice of Vietnam in English 1000 GMT 3 May 93*

[Text] Vietnam and Singapore will set up a joint committee for economic cooperation during talks in Hanoi next week. The Singapore Minister of State in charge of Trade, Mr Lim Boon Heng, will head a delegation which will focus on Singapore investment in Hanoi and Ho Chi Minh City.

Last year, trade exchange between Singapore and Vietnam were valued at \$1.3 billion. Singapore companies have committed more than \$100 million in investment in Vietnam since 1991.

**Doan Khue Addresses Defense Ministry Conference***BK0405143593 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 28 Apr 93*

[Report by station editor Nguyen Anh Trinh]

[Text] Dear friends: From 26-27 April, the Ministry of National Defense convened a two-day conference to study the party Central Committee's fourth plenum



resolutions and the party Central Committee Military Commission's directive on Army medical service and population and family planning.

Attending the conference were Nguyen Trong Xuyen, comrade senior lieutenant general and deputy minister of national defense; Comrade Lt. Gen. Le Hai, deputy director of the Political General Department; comrade leading cadres in charge of political organs; and comrade chiefs of Army medical units in the various military regions, military corps, armed services, military academies, military schools, and national defense agencies.

After being briefed on the main contents of the party Central Committee Military Commission's directive on implementing the central party committee's fourth plenum resolutions on people's health care and protection and on population and family planning, as well as of the regulations governing the duties and organization of the Army Medical Corps, the participants analyzed strong points and shortcomings and contributed many practical suggestions. They all agreed that unless party committee echelons directly oversee project implementation, no fine results can be expected from these two tasks. They also maintained that health is one of the basic factors of the combat strength of the Armed Forces and that population control is a strategically important task because it directly affects all aspects of social life.

Addressing the conference, General Doan Khue, member of the Political Bureau and minister of national defense, commended the Army Medical Corps for its efforts and achievements over the past years. He pointed out: The physical condition of our military personnel, especially the contingent of our cadres, however, is not on par with the requirements of the situation. The Army Medical Corps has great potential and diversified experience. However, no adequate measures have been taken to bring into full play those strong points to support the task of providing health care to members of the Armed Forces. The causes of these shortcomings must be traced back to the lack of a uniform management system and adequate mechanisms and policies. The Army Medical Corps also displays shortcomings in adopting uniform regulations governing military medical cadre training, planning, and utilization. The responsibility for these shortcomings rests mainly with party committee echelons and unit leaders.

He added: To satisfactorily implement the party Central Committee's fourth plenum resolutions, upon returning to your units following the conclusion of this conference, you, comrades, should suggest ways for leading cadres and unit leaders at your levels to review all aspects of these tasks and take very practical measures to ensure high project implementation results.

### **\$50 Million Aid To Be Discussed With Canberra**

*BK3005144493 Hanoi Voice of Vietnam in English  
1000 GMT 29 Apr 93*

[Text] Australia and Vietnam are to discuss a development aid program for Vietnam. Australian Minister for Cooperation and Development Gordon Bilney said the Sydney meeting will focus on projects worth \$50 million against poverty and help to develop Vietnam's economy.

### **Vo Van Kiet Attends National Agriculture Conference**

*BK3004151793 Hanoi VNA in English 1459 GMT  
30 Apr 93*

[Text] Hanoi VNA April 30—The government convened a national agriculture conference in Hanoi from April 27-29 to review agricultural production and rural development in recent years and discuss orientations for the remaining years of the decade.

The conference also aimed to complete documents to be submitted to the forthcoming fifth plenum of the Communist Party of Vietnam Central Committee.

Prime Minister Vo Van Kiet attended the conference and Vice Premier Tran Duc Luong delivered the opening speech.

The delegates agreed that the achievements recorded in agriculture in the past few years played a crucial role in the stabilization of the country's socio-economic life.

Many delegates pointed to the need of paying greater importance to the role of the farmer's household in its capacity as an autonomous economic unit and creating more conditions for the further development of the household economy.

On the land question and the Land Law (amended) which was pulished recently to gather public opinions there were different opinions on the duration of land allotment and the right to land use.

On the future role of the agricultural cooperatives, most delegates counselled multi-form cooperation on the basis of voluntariness and mutual benefit. They also urged renovation of the forms and contents of the operations of the existing cooperatives to make them better suit development needs of the new stage. The conference also discussed the issues of state-owned businesses and various economic policies such as the policy on investment, promotion of farming techniques, rural credit and price insurance for farmers.

### **Economists Skeptical of 'Export Processing Zones'**

*BK3004082193 Hong Kong AFP in English 0207 GMT  
29 Apr 93*

[By Andrew Sherry]



[Text] Ho Chi Minh City, April 29 (AFP)—“Export processing zones” [EPZs] have become all the rage for Vietnam’s urban planners who see the giant foreign-capitalized industrial parks as painless short-cuts to jobs and infrastructure.

Manufacturers from Taiwan, Hong Kong, and elsewhere appear willing to oblige, announcing tens of millions of dollars in planned investments in the five EPZs reportedly under construction around the country.

Some economists are skeptical, however, about the ability of private capitalists—even from Taiwan—to finance the development of the huge tracts of land they have leased.

“There has been a lot of showing off. Now I’m waiting for substance,” said Nguyen Xuan Oanh, a former South Vietnamese central bank governor who now works as a consultant for Indovina Bank in Ho Chi Minh City.

Vietnam seized on EPZs to confront high unemployment and a severe shortage of capital to build industrial infrastructure—a result of the U.S. embargo on international loans to Hanoi.

“We thought at first that there would just be two EPZs, but because of the demand of the other provinces we approved five,” said Tran Quan Ngoc, a senior advisor to the State Committee for Cooperation and Investment (SCCI) here.

Two EPZs are being set up in the Ho Chi Minh City area—Tan Thuan and Linh Trung—and one each in the Mekong Delta city Can Tho, the central port city Danang, and the northern port city Haiphong.

Unlike China’s larger and more diverse “special economic zones,” Vietnam’s fenced-off EPZs will contain only factories producing goods for export.

Companies setting up in the EPZs are promised generous tax breaks and freedom from most administrative red tape, in addition to the cheap labor that attracted them to Vietnam in the first place.

“We call it one-stop service,” said Chow Hong-lin, public relations manager for the Taiwan-dominated Tan Thuan EPZ, the first EPZ licensed, in 1991.

Nestled in a bend of the Saigon River, Tan Thuan bills itself as offering 300 hectares (741 acres) of land with a priority electricity supply, port facilities, and a planned highway link to Route 1 and Tan Son Nhat airport.

More than 20 companies have leased land, according to Chow, including a cardboard carton firm which was to start building a multi-million-dollar factory in May.

A visit to Tan Thuan suggests, however, that the public relations department may be outpacing the bulldozers.

As of early April—18 months after the groundbreaking ceremony—only 60 of Tan Thuan’s 300 hectares had

been cleared. The sandy expanse was surrounded by families who said they would not move unless they were paid more for their land.

The only building that had been constructed was the zone office, and the SCCI’s Ngoc was skeptical about claims that the carton company would complete its factory and start exporting products by August.

“If they do it, they’ll be using their own generator” since there are no signs yet of the 125-megawatt power plant called for in the Tan Thuan publicity brochure, he said.

The Tan Thuan EPZ has a licensed capital of 60 million dollars, but Ngoc estimated that more than one billion dollars would have to be spent before the EPZ lived up to its publicity.

The funds would go principally to build the 17-kilometer (11-mile) highway link, power plant, water plant and port access.

Early this year, however, one of the two Taiwan partners in the EPZ—Pan Viet Corp. pulled out “for its own internal financial reasons,” according to Chow.

The move left Taiwan’s Central Trading and Development Corp. with 70 percent project while the Vietnamese state company that contributed the land holds the rest.

“The problem now is financial,” said Ngoc. “I think they can solve the problem, but they will have to build up slowly.”

The owners of EPZs like Tan Thuan may be calculating that international loans will soon be available to help Vietnam finance infrastructure projects like highways that are outside the zones but important to their operations.

Indovina’s Oanh was more cynical about the intentions of some EPZ foreign investors, saying that they may hope to profit by selling off land-use rights if their EPZ fails to get off the ground.

“They get enough money to clear part of the land, then they try to raise more. If it doesn’t come, they just keep a foot in the door,” Oanh said.

#### **Do Muoi Writes to TAP CHI QUOC PHONG TOAN DAN**

*BK2704144193 Hanoi Vietnam Television Network  
in Vietnamese 1200 GMT 16 Apr 93*

[“Excerpt” of letter by Party General Secretary Do Muoi to TAP CHI QUOC PHONG TOAN DAN on its 45th founding anniversary]

[Text] To implement a directive issued by President Ho Chi Minh, the first issue of QUAN SU TAP SAN [Military Magazine]—a precursor of the contemporary TAP CHI QUOC PHONG TOAN DAN—was introduced to the readership in April 1948.



As a magazine doing party theoretical work in the armed force, in the last dozens of years, it has always observed Uncle Ho's instructions written in his letter to the QUAN SU TAP SAN "Research without implementation is unusable research; implementation without research normally leads to blind imitation". Therefore, it is necessary to study past experiences to help the new implementation and to use new implementation to shed light on old experiences and to make those experiences become more complete and richer.

With the wholehearted cooperation by many readers inside and outside the armed force, TAP CHI QUOC PHONG TOAN DAN has exerted many efforts to satisfactorily accomplish its duty, contributing to the success of the national renovation cause and construction of the all-people national defense and meeting the need on studying and improving theological knowledge and practical experiences of cadres and soldiers in the armed force and in the party, state, and public organizations on national protection duties.

In the current renovation undertaking, we must combine the national construction with protection, national defense with economy, and national defense with security to firmly maintain political stability; consolidate peace; strongly protect national independence, sovereignty, and integrity; and create favorable conditions for national construction and for making people rich, country strong, and society civilized so that socialism can be gradually and successfully built.

In order to satisfactorily fulfill the aforementioned duties and targets, the magazine must positively contribute to clarify the ideological and practical issues of the national defense cause. It must also help to build a strong armed force and construct a correct theoretically systematic viewpoint on our all-people national defense. It must know how to inherit and develop precious ancestral experiences as well as experiences from previous people's wars for creative application in current national and international conditions. It must carefully study new developments in military, national defense, armed force, and military technological science in the world.

The magazine must also firmly grasp the party renovation line and laws and policies of the state, adhere to the reality, perform working and studying at the same time, draw experiences, review practical cases, and attach those practical experiences with research and theory.

#### **Hanoi 'Non-State Economic Sector' Prospering**

*BK0105061493 Hanoi VNA in English 0344 GMT  
1 May 93*

[Text] Hanoi VNA May 1—The non-state economic sector in Hanoi has obtained inspiring results since the company law and the private enterprises law came into effect two years ago, it was reported at a conference recently held in the city.

In 1992, this sector employed more than 8,000 work hands and registered a total turnover of nearly 100 billion dong. With their own financial resources, these private enterprises have produced more products for domestic demand and for export, made a considerable tax payment to the state budget, and helped the proprietors and workers have a better life. This has testified to the justness of the renovation line and the dynamic with which the non-state economic sector in the capital city of Hanoi has been operating.

In early 1991 when the company law and the private enterprise law were promulgated, many businessmen applied for permission to set up businesses with their own money, considering these laws to be a way of encouragement and protection of their businesses.

So far, Hanoi has registered 150 private enterprises, limited liability companies and stock companies engaging in industrial production. They include 15 private enterprises, 141 limited liability companies, and 2 stock companies. Most businessmen chose the form of limited liability company because the establishment procedure is simple, the form is not very binding, and they can have a brand-name and an organization structure conforming to international practices. These 158 businesses had a total initial investment capital of 88.2 billion dong. Forty-two of these businesses had an investment of less than 200 million dong each, and 11 of them had an investment of more than 1 billion dong each.

According to the director of the Hanoi industrial office, these businesses have registered to produce 20 of the 27 items listed for them. Many have embarked on the production of arts and crafts (30 businesses), the processing of forest products and furniture-making (28 businesses), and garment manufacturing (23 businesses). These businesses are custom-designed for using unskilled labour and locally available materials in making products for export. However, some of them have ventured into high-tech branches of great economic value such as assembling and installing electronic goods and equipment (12 businesses), micro-processors (9 businesses), and extending electric grid (9 businesses). These businesses have employed high-level technicians, including professors and doctors, and created more jobs and material wealth for society. Among them are Sel Company with TV sets and loudspeakers, Bemex with roofing sheets, Xuan Hoa Binh with arts and crafts, Artex Bat Trang with pottery, and Delta Switch Exchange.

In general, about 80 percent of all businesses operate on a small scale employing up to 50 workers, and their production level is a combination of small engineering and handiwork.

Speaking at the conference, many entrepreneurs aired their views as to whether they could rely on the state policy for development of a multi-sector economy as a hedge for their enterprises.



Many mentioned the need for the state to enact and enforce a domestic investment law to give some priorities to private businessmen especially during the initial stage of production.

### **Hanoi International Discusses Freedom of Religion**

*BK0305102393 Hanoi Voice of Vietnam in English  
1000 GMT 30 Apr 93*

[Text] Now and again, people have questioned whether there is freedom of belief in Vietnam. Those are who seldom follow the situation in Vietnam, or have accessed the wrong information, by claiming religions have been repressed. [sentence as heard] The success of national building and defense have ensured the creation of the solidarity block of Vietnamese people. Human rights have been granted and become the gelatin linking each individual to the community, creating a national strength. This tradition has been applied in the current renovation process. Freedom of belief has been realized in Vietnam among Vietnamese ordinary people and this reality rejects allegations to the contrary. In Vietnam, freedom of belief has been insured by law, clearly stipulated in Article 70 of the current Constitution. It says: The citizens are entitled to freedom of belief and religion. All religions are equal before the law. No one has the right to violate freedom of belief, and freedom of religion, or taking advantage of that freedom to violate state policies and regulations.

Over recent years, state policy of freedom of belief and religion have been applied in reality. Holy places have been protected by the state; any breach of this freedom has been settled by law; churches and pagodas are entitled to public, religious printed matter and open schools or training courses on religions. [sentence as heard] Foreign guests coming to Vietnam at the end of the year have a chance to witness Catholics celebrating Christmas, Buddhist followers going to pagodas, and religious festivals held in villages in commemoration of village genius. Buddhism, Catholicism, and Christianity periodically hold their congresses to work out their program of action for religions, life, people, and country. During the open door period, Vietnam's religions have broadened their relations with the world religious community. It is the first time the Vietnamese Government has had dialogues with the Vatican through exchanged visits. Recently, Vietnam hosted the Asian Buddhist Conference for Peace, which involved representatives of more than 10 Buddhist organizations in Asia.

All this reality makes it clear to the world at large that the story about repression of religions in Vietnam is completely alien to the country with a tradition of national solidarity. However, if any Buddhist monk or Catholic priest is questioned about the authority, [as heard] their activities are not serving religions, but are serving a political purpose, which is harmful to security and life of the national community.

Hostile forces never miss the chance to make use of such a situation to cook up the story of Vietnam repressing religions.



## Australia

### Spokesman: Peacekeepers' Death in Cambodia 'Disturbing'

BK0505073893 Hong Kong AFP in English 0513 GMT  
5 May 93

[Text] Sydney, May 5 (AFP)—The attack on U.N. peacekeepers in Cambodia which left a Japanese policeman dead was "disturbing and unnecessary", an Australian foreign affairs department spokesman said Wednesday.

"It was another disturbing and unnecessary loss of life," the spokesman told AFP, referring to Tuesday's killing of Haruyuki Takata in an ambush of U.N. vehicles by an as yet unidentified group armed with rockets and other firearms.

"However, the peace process is on track and Australia, with the rest of the international community, remains committed to the view that the only way to bring lasting peace to Cambodia is through the commitments made at the Paris peace conference" of 1991, the spokesman said.

Australia has some 500 peacekeepers with the United Nations Transitional Authority in Cambodia (UNTAC). U.N. supervised elections are scheduled to be held later this month.

The Khmer Rouge stans opposed to the elections and has mounted a number of attacks against U.N. forces and Vietnamese civilians.

### Trade Minister Discusses Expanding Asian Trade

BK3004120893 Singapore BUSINESS TIMES  
in English 27 Apr 93 p 28

[Foreign correspondent's report on interview with Trade Minister Peter Cook in Canberra; place, date not given]

[Text] Senator Peter Cook, Australia's new Minister for Trade, intends to focus his energy on Australia's trading partners in Asia, on multilateral trade negotiations under the Uruguay Round and on the Asia Pacific Economic Cooperation (Apec) grouping.

In an exclusive interview, his very first interview since his appointment, Mr Cook reiterated the Keating government's policy towards Asia and its commitment to multilateral trade negotiations.

He also hopes to devote time to Apec and begin work on the proposal to develop an integrated trading region bound by common standards, as detailed by Prime Minister Paul Keating during the election.

Trade was split from foreign affairs in the new Keating government, with Senator Gareth Evans remaining as Minister for Foreign Affairs. Said Mr Cook: "I am into sailing and cricket. But Gareth told me I have to learn golf."

It was a handy advice from an old hand about the sporting preference of most Asian trade ministers. In his first overseas trip as trade minister, he will visit ASEAN countries for meetings with members of the Cairns (agricultural) group in ASEAN.

Asia is the greatest growth area in the world, he says. He is aware that some sections of the Australian business community are becoming concerned over the tilt towards Asia. Mr Cook says: "We can walk and chew gum at the same time so while we are doing Asia we certainly will be keeping contact with other parts of the world."

He names in particular Latin America, the Persian Gulf and India. Before becoming the Minister for Trade, Mr Cook was the Minister for Industrial Relations.

But he describes himself as a "trade junkie", saying that he has been interested in trade since he was a backbencher and headed a committee on trade and resources in 1984. "So for me coming to the portfolio is in many ways an ambition that I hold. I am excited at the challenges of this portfolio. It is one that have had an interest in for a long time."

He also sees it as the "obvious next step" after holding portfolios involving domestic economic management. He believes Australia is beginning to perform well in trade but it could do better. "As a trading nation we now export 23 per cent of all we make. I would like to get it to a higher level. I may put a figure on later as I get bolder. I think the best is yet to come," he says.

Using a cricketing analogy, he says: "The runs are on the board with the opening bat but we are now going to get into the main part of the innings and this is when we do accumulate score."

Mr Cook expects Australia's bulk commodity trade to remain as the big earner and predicts that it could do even better on agricultural trade after the conclusion of the Uruguay Round. He has identified four areas which he will have to focus his attention on in the coming months—Gatt, Apec, bilateral relations and trade missions and trade fairs.

"Quite clearly, the Gatt, depending on what occurs, could absorb a huge amount of time in the later half of this year. It is of overwhelming and fundamental importance to Australia and can't lag for want of ministerial support.

"Apec is moving, I think, very well. Some of the comments I have seen from Mickey Kantor (the US Secretary of Trade) [title as published] in the last few days suggested the US is pretty much on the same wavelength as espoused by the Prime Minister and I am keen to develop framework agreements within that and to get an institutionalised structure going.

"Then there are other bilateral trade interests of Australia which we want to pursue. There is a lot of bilateral work to be done in this portfolio.



"The fourth area is the question of trade missions and trade fairs and the relationship of the government with the Australian business community," he told BT [BUSINESS TIMES] in his Canberra office.

He is determined to have more private sector involvement in trade issues. Through his past portfolios—energy and resources and industrial relations—Mr Cook has developed contacts with the business community. "All those four things are of vital importance to our trade performance overall.

"How I organise my efforts and the back-up for the portfolio to ensure that we get optimum outcome on all of them is important."

One of the current issues in international trade is rising protectionism. Mr Cook is aware that the world's largest trading nation, the US, is pursuing "a very robust market opening strategy" with its Asian trading partners. He says if protectionism were to gain ascendancy in the world, it would be a significant handicap to Asia-Pacific growth prospects.

Despite the trend towards bilateral negotiations between the US and North Asian countries, Mr Cook says the "best possible news for the region" is still a conclusion to the Uruguay Round which sees trade and investment liberalised on a global level. He reiterated Australia's commitment to multilateral arrangements, saying that is the only way to freer trade. "Our major focus is in the major benefits that will come from the multilateral outcome. That is not to say that our bilateral negotiations are necessarily under-developed."

Developing Apec into an integrated trading region is part of Mr Keating's election platform. "I've got a good working relationship with him (Keating) and I am very pleased about that, but I don't want to talk about how we will approach that matter now," Mr Cook says.

He is currently working out his priorities and developing a performance measure for himself. Right now, he sees himself as easing into the "saddle of trade". He told BT that he expects to be in a position very shortly to make some major pronouncements on his programme during this term of office.

Mr Cook says the trade portfolio is important to the government and it has prime ministerial support. "The key point of the Prime Minister's vision for Australia is its engagement in Asia and the internationalisation of the Australian economy."

He says the completion of the task is clearly the next major step of this government. The Prime Minister has appointed "a dynamic and talented set of industry ministers", he says. And the challenge for him is to make sure that the enthusiasm is directed along the same policy structure.

"I am keen to see we have all industry and trade interests wrapped up in the same policy envelope within the

Cabinet and between the departments and that enthusiasm is harnessed in a focused way," he says.

He says the Accord Mark VII (wages policy) with the Australian trade union movement is critical to trade because that agreement will be geared to ensuring that Australia's inflation level is not greater than that of its major partners. It reflects the commitment to internationalising Australia's economy and increasing competitiveness. The progress that has been made in micro-economic and labour market reforms is still something of a "well-kept secret" to the outside world.

He expects not only to sell the message, but also to invite people from overseas to come and look at the changes themselves. "You can talk about changes but there's nothing better than people experiencing them on visits to Australia," he says. He has already noticed a change in attitude in Japan. He led a delegation there in January last year to inform the Japanese of the reforms underway in Australia. On a return trip a year later, he found the nature of the debate has changed.

"I think this is quite significant. It has changed from concern about the level of industrial instability in Australia to whether the process of change has completed and whether it will continue.

"It changed from anecdotal examples of bad behaviour by senior Japanese executives who had been subjected to hold-up or delays personally on Australian visits to younger executives who speak of changes and improvement which have occurred where Japanese have investment interests in," he says.

Despite that, Senator Cook has a big task ahead of him to tell the country's trading partners that Australia is becoming more competitive and productive.

### **Immigration Falls by 23 Percent in 1992**

*BK0305054493 Hong Kong AFP in English 0449 GMT  
3 May 93*

[Text] SYDNEY, May 3 (AFP)—The number of immigrants arriving in Australia last year fell by 23 percent, the biggest drop in a decade, according to official data released Monday.

A report by the Bureau of Immigration Research shows that 45,252 people arrived between July and December last year compared to 57,397 in the corresponding six months of the previous year.

The biggest reduction was in arrivals from Britain, Hong Kong and Vietnam and the only major increase was from former Soviet republics, the bureau said.

Last year's reduced intake, the biggest recorded drop since a 29 percent fall during the last recession between 1982 and 1983, coincided with a period of record-high unemployment and consequent tighter immigration restrictions, a bureau official said.



Immigration from the former Soviet Union surged from 1,065 in the last half of 1991 to 2,329 between July and December last year. Many came in under refugee and humanitarian programs.

Britain remained the biggest source of settler arrivals, making up 5,372 or 12 percent of the total, followed by Hong Kong which accounted for 10 percent, New Zealand seven percent, Vietnam six percent and India and the former Soviet Union making up five percent.

Permanent departures from Australia also declined last year, according to the bureau's report. They fell by seven percent on 1991 levels to 13,408.

The main countries of birth of permanent departures last year were Australia, making up 33 percent or 4,460 of the total, New Zealand 3,042 and the United Kingdom, 2,020.

The bureau said the resulting permanent gain of settlers for Australia during the last half of 1992 was 31,844.